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FINANCIAL TIMES

No. 27,170

Friday January 14 1977

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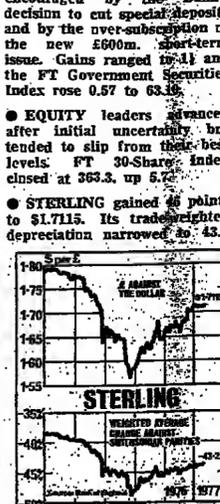
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NEWS SUMMARY

GENERAL
Britain hit by big freeze
 Blizzard sweeping Britain distributed to the worst conditions since the last freeze-up of 1962. More snow is forecast over the next two days.
 Motorways were blocked, unless other roads were passable because of snow. Several feet deep, rail services were badly hit and ice was thrown at London's airports.
 More than three inches of snow fell in one hour in the City of London where there were reports of the M4. Police imposed 20 mph speed limits on the M1, M10, M3 and Snow drifts up to eight feet were reported in Kent. Last night melting snow and sleet rain brought extensive flooding to parts of Sussex. Sea at Hastings had down smashed by gale force winds.

BUSINESS
Gilts up sharply; sterling stronger
 Gilts rallied strongly, encouraged by the Bank's decision to cut special deposits and by the over-subscription of the new £600m. Short-term issue. Gains ranged 1.1 to 1.5 and the FT Government Securities Index rose 0.57 to 63.15.
 EQUITY leaders advanced after initial uncertainty but tended to slip from their best levels. FT 30-Share Index closed at 363.3, up 5.7.
 STERLING gained 10 points to \$1.715. Its trade-weighted depreciation narrowed to 43.2.



black-out
 Six West Midlands counties weathered the cold with ambulance services for hundreds of hospital out-patients.
 now brought down overhead cables on the Mendips in Somerset, cutting off electricity supply. BBC West TV television programmes in Bristol were blacked-out. The weather halted a Derbyshire moorland hunt for a punter who escaped on Tuesday.
olen ICI pes found
 More than 600 confidential company files and tapes stolen by ICI (Holland) have been recovered by police from a flat in Antwerp. British West London police continued to question two men concerning some demands for the return of the material.
ullo Jim, it's immy calling
 Mr. James Callaghan, Prime Minister, had his first conversation with Mr. Jimmy Carter, U.S. president-elect last night when Carter made a 10-minute telephone call to Downing Street. Leaders agreed on the need for an early economic summit. Mr. Callaghan accepted an invitation to visit the U.S.

ress driver led in cab
 6-year-old British Rail driver was found dead in the cab of the Stranraer-Euston express train after the train had halted by the dead man's fall. He died from accidental injuries, a post mortem disclosed. It was thought he had been out of the window for a reason. Two coaches were derailed. No passengers were hurt.
ikovsky critical Britain
 Vladimir Bukovsky, the Russian dissident, last night criticized British policy towards the Soviet Union and regretted the fact that he had not interviewed him in the past.
on weaker
 Condition of Lord Avon, Conservative Prime Minister, deteriorated at his shire home last night. His wife said: "Lord Avon is weaker and is sleeping peacefully."

Bedford boosts truck sales
 VAUXHALL subsidiary, Bedford, has regained market leadership in heavy trucks. WEST-MIDLANDS passenger transport executive is to support a challenge to Leyland's double-decker bus monopoly by Laird group subsidiary, Metro-Cammell Weyman. Page 9. Car dealers' profits fall. Page 9. Tokyo talks on car emission controls. Page 6. Record results for Peugeot-Citroen. Page 20.

COMPUTER software problems have again delayed the start-up of the communications network. Swift, which is to link banks throughout the world. Page 7. EEC official rejected claims that the EEC is not giving enough help to electronic information industries. Page 6.
COLLIERY foremen followed the miners with a decision to hold an industrial action ballot on their own claim for early retirement. Back Page 9.
HALLIBUT group, led by the British National Oil Corporation, has made a promising oil find near the Thistle field in the North Sea. Page 7.
BRITISH AIRWAYS will press at an airlines' meeting in Geneva next week for cuts of up to 30 per cent. in European holiday fares. Page 9.
DELIVERY MEN'S boycott of shops selling cut-price bread has been joined by two other unions. Page 8.
LIVESTOCK FARMERS face another big rise in the cost of animal feed this year. Page 23.

COMPANIES
 THOMAS TILLYING is making an £8.8m. bid for Intermedco of the U.S. Page 18.
 BRITISH ELECTRIC TRACTION pre-tax profit rose to £24.36m. (£19.62m) in the six months to September 30. Page 17 and Lex.

IEF PRICE CHANGES YESTERDAY
 Prices in pence unless otherwise indicated)

M and Q Group	64 + 4
McCorquodale	160 + 15
MEPC	56 + 5
Reed Intl.	196 + 8
Stock Conversion	166 + 8
Travis and Arnold	101 + 1
United Real Prop.	202 + 10
d. Newspapers	124 + 6
Vantone	84 + 6
Wentons	704 + 14
lays Bank	272 + 12
BP Transport	468 + 14
Tricentral	118 + 9
Golden Hope	89 + 10
Cleaver	285 + 13
Hand/Fontenay	221 + 1
Southern Kinta	102 + 12
Southern Malaysian	202 + 12
son and Welch	325 + 22
ing Motor	31 + 4
Secs.	147 + 6
ds Bank	223 + 10
s Inds.	210 + 7
s (J.)	32 + 4

FALLS
 BATS Dig. 228 - 5
 EMI 315 - 9
 Thomson Org. 378 - 7
 Oil Expln. 97 - 8

Temporary respite in curbs on banks

BY MICHAEL BLANDEN

THE SQUEEZE on the banks is being temporarily eased with the decision by the Bank of England yesterday to release about £1.1bn. of funds which would otherwise be tied up in special deposits with the Bank.
 The move is designed to overcome the present exceptional shortages of funds in the London money markets. These have resulted from the recent very large official sales of gilt-edged stocks, coupled with the current Government revenue surplus reflecting the seasonal payment of taxes. The move is similar to the exercise carried out on a rather smaller scale at this time last year.
 The authorities emphasised, however, that the measure was no more than a technical step in the management of the money market, and did not imply any relaxation in the present strict monetary policy. In particular, the Bank of England continues to resist a drop in short-term interest rates.
 The heavy demand for gilt-edged stocks was underlined yesterday when the new £600m. short-dated tap stock was heavily oversubscribed at the issue. This happens only very rarely — normally only small amounts of a new gilt-edged stock are bought by the public at the time of issue — though an oversubscription was seen for a long issue last September. It was thought that more than

£1bn. had been subscribed for the issue yesterday, and the amount of funds absorbed produced an unprecedented shortage in the money markets.
 The official move took the form of cutting the rate of special deposits which the banks and finance houses are required to place with the Bank of England from 6 to 3 per cent. of their eligible liabilities (their main deposit funds).
 This involves a direct repayment of 2 per cent. of special deposits already paid, totalling about £740m., to take place on Monday. At the same time, the Bank is cancelling the call for an additional 1 per cent. due on January 28. This is the second half of the call announced as part of the emergency package in October, and has already been twice postponed.
Penalties
 The special deposits calls have been built up in the context of past efforts to control the growth of the money supply, and have the effect of immobilising part of the bank's funds as a basis for increased lending.
 It was stressed that the Government is still committed to its strict monetary policy. Mr. Denis Healey has recently stated that the U.K. is on target to meet its forecast for domestic credit expansion — the main criterion being examined by the Inter-

national Monetary Fund — of £9bn. for the current financial year. Next year, the letter of intent to the IMF said the U.K. would cut domestic credit expansion to £7.7bn.
 The restraint is being exercised mainly through the so-called "corset controls," re-introduced in November. These impose a strict limit on the growth of the banking system's interest-bearing resources subject to increasingly heavy penalties on any banks which exceed the limit.
 At the same time, official policy is designed to allow no more than a gentle decline in the general level of short-term interest rates in London, although the Prime Minister again affirmed yesterday that there should be a fall in rates over the next 12 months.
 The Bank took the opportunity of the shortage in the money markets yesterday to give another clear signal, for the assets could ease after the current tax-gathering season and that if that happened it might be appropriate to raise the special deposits call again.
 The banks will therefore have to keep control over their lending. At present, the signs are that they are not experiencing any great pressure of demand for loans in spite of the payment of corporate taxes: these are relatively small now as a result of the various reliefs being offered.
 Editorial Comment, Page 14

Evidence that Rhodesia is preparing for failure of talks

BY MICHAEL HOLMAN

EVIDENCE IS mounting that the Rhodesian Government may be preparing the white electorate for the fall of Mr. Ian Smith's tour of Southern Africa, the consequent collapse of the Geneva conference to establish a transitional government here, and the eventual opening of talks by the Salisbury administration with a moderate black Rhodesian.
 Mr. Richard, the conference chairman, faces a tough test when he returns here for more talks with Mr. Ian Smith, the Prime Minister, probably next week.
 The latest evidence of Rhodesian Government thinking was given by Mr. P. K. Van der Byl, the Foreign Minister, in an interview with the New York Times yesterday. He said that the support the front-line African presidents have given to the Patriotic Front nationalist group, at the expense of other black Rhodesian organisations, has made nonsense of the Geneva discussions.
 Mr. Van der Byl said whites would fight to the "last cartridge" rather than hand over government to the Patriotic Front, led by Mr. Robert Mugabe and Mr. Joshua Nkomo. He added that

the only acceptable means now of transferring power would be through separate negotiations with "those of the black Rhodesian population who are prepared to do it."
 For his part, Mr. Smith has repeatedly ruled out British involvement in an interim government, the central pillar of the compromise proposals Mr. Richard has been formulating.
 Furthermore, a substantial lobby of MPs to the pulling Rhodesia to Front are known to regard the Kissinger package of settlement terms, accepted by Mr. Smith last September, as unpalatable and would welcome the failure of the Geneva conference. The package, which would allow Whites to maintain vital controls during the transition to majority rule, has been rejected by the black delegation to Geneva.
 Another pointer to the Government's stance is the tough line being put across in current affairs programmes on radio and television which have made near-continuous references to Mr. Richard — and in the press. The Rhodesia Herald this week suggested the only way out of the impasse now was for Mr. Smith to reach accommodation with the African National Council faction led by Bishop

Abel Muzorewa and the recently formed Zimbabwe United Peoples Organisation (ZUPO) led by two tribal chiefs.
 This poses some obvious problems. There is no evidence of support for ZUPO, whose leaders reject one man one vote. Secondly, at a press conference this week the Bishop firmly rejected talks outside Geneva with Mr. Smith.
 Mr. Richard, who is in Kenya reviewing the future of his mission, intends to hold a second round of talks with Mr. Mugabe and Mr. Nkomo in the Mozambique capital, Maputo, on Sunday. After a first round in Lusaka this week, Mr. Mugabe said Mr. Richard had not yet made his own ideas for a compromise Rhodesian solution sufficiently concrete.
 Observers believe Mr. Richard may expand on his proposals on Sunday and will also be trying to find out how much the Patriotic Front is prepared to modify its stand, which is anathema in Salisbury, before presenting a progress report to Mr. John Vorster, the South African Prime Minister, who is the key to any settlement.
 Mr. Vorster can exert pressure on Mr. Smith if he thinks this

Worker-director proposals under fire from Methven

BY JOHN ELLIOTT, MANAGEMENT EDITOR

THE CONCERTED attack on the Bullcock Report on industrial trench warfare that we planned by leaving industrialists with more than 2,000 employees. A minority report, signed by three industrialists including Sir Jack Callaghan, former ICI chairman, opposes this, but says worker directors could in time sit, separately from trade unions, within a two-tier company Board structure.
 Mr. John Methven, who sat on the Bullcock Committee as an independent and resigned on being appointed to his CBI post last year, warned yesterday that the report would do two things.
 "It will stop dead in its tracks the very considerable advance being made by British companies towards greater real employee involvement. And it will unite in a way that no other issue has before the mass opposition of British business, setting the stage for a return to the kind of

industrial trench warfare that we all hoped was a thing of the past."
 British industry stood united against any such legislation. The argument was not about whether there should be employee participation, but how to achieve it. The Bullcock Committee had only been asked how, not whether, employee representatives should be appointed to Boards. "Having loaded the dice in this way, the Government cannot expect industry to respect the recommendations of the report," he said.
 The Bullcock Report would disfranchise all non-unionists and was not about employee participation or industrial efficiency, but political power. It would "lead rapidly to the end of the market economy as we know it."
 Worker directors scheme attacked Page 9

is in South Africa's interests, but a background briefing issued recently by the Rhodesian Government rules out the prospect of pressure from Pretoria. This assessment appears to hold good. There is no sign that Mr. Vorster is displeased with the Rhodesian Government's course. There appear to be no limits on military supplies, oil or transport facilities.
 The near euphoria with which many Rhodesian whites greeted September's settlement scheme has all but evaporated, being replaced by bewilderment, anxiety and bitterness at what is seen as unreasonable Nationalist demands. Morale is low between January and November last year 13,300 whites emigrated, giving a net loss of 5,900, the first net loss since 1966.

Backing for fast breeder reactor plans

BY DAVID FISHLICK, SCIENCE EDITOR

THE GOVERNMENT'S nuclear inspectors believe that a commercial-sized fast breeder reactor, the next big advance in nuclear electricity systems, can be made safe enough to be licensed in Britain. But they would stipulate remote sites for the first three or four stations.
 Given their successful performance, nuclear inspectors would expect them to authorise construction on semi-urban sites of the kind used for the latest British nuclear stations, in some cases within a few miles of large centres of population.
 This is stated in a report from the Health and Safety Executive, which provides answers to a list of 87 questions on nuclear safety submitted at the invitation of Mr. Anthony Wedgwood, Benol Secretary for Energy in October. The report, signed by Mr. John Dunster, director of nuclear safety, and Mr. Ronald Gausden, chief inspector of nuclear installations, answers many questions on nuclear safety raised by the controversial report of the Royal Commission on Environmental Pollution last autumn, notably on fast reactor safety and nuclear waste disposal.
 It is understood that the Government expects to publish its official reply to the 50 recommendations of the Royal Commission report next month.
 Mr. Dunster said yesterday that he did not expect the safety implications to be decisive in the Government decision on its fast-reactor policy.
 In the case of permanent disposal of highly radioactive nuclear waste, he believed that the U.K. industry already knew "beyond reasonable doubt" of safe methods of storing it indefinitely.
Safety hopes
 Mr. Bill Simpson, chairman of the Health and Safety Commission, said that on the basis of his inspectors' report he would have no qualms about authorising a "second" fast breeder reactor, reprocessing plant and waste disposal.
 The nuclear inspectors lend their support to the case for proceeding with a demonstration fast breeder reactor (CFR 1) in that it would "go far towards identifying any further safety problems, and would provide a strong stimulus to work aimed at resolving them."
 Invaluable practical experience would be obtained for an future construction of fast reactors, and the operating experience and data prove of great value to both engineering and safety.
 But the report warns that construction and operation of CFR 1 alone would be insufficient, and the safety case for a programme of fast reactors would still call

for substantial research and development.
 The inspectors see the benefits of a fast-reactor programme as "partly economic and partly conservationist," with conservation probably the more important element, since it would release for use as fuel U.K. stocks of "waste" uranium equivalent to 30,000 tons of coal.
Accident fears
 In response to a question on the consequences of fast-reactor accidents, the inspectors say that even in a serious accident causing widespread damage to plant it is likely that nobody inside or outside the plant would be hurt.
 In questioning nuclear accidents, however, people asked while might be the "worst possible consequences." It was not a question normally asked about other activities, but if asked of aircraft or chemical works accidents, for example, would elicit an answer of "thousands" hurt. Such non-nuclear catastrophes were very improbable indeed, but even so were more likely than a comparable nuclear disaster.
 The worst combination of events that could be envisaged would be a melting and partial vaporisation of the reactor core, and failure of the reactor containment, on a semi-urban site with the wind blowing towards the town.
 This "very unlikely" combination would cause several thousand deaths within a few weeks in an area extending about 10 kilometres down wind of the reactor, and "some increase" in the risk of cancer to those in an area extending a few hundred kilometres down wind.
 The answer to a specific question from Mr. Wedgwood about the possibility of a fast-reactor core melting its way down into the earth was that this would be prevented by a large block of bauxite below the core, which would absorb and retain the molten mass.
 Accidents involving plutonium in nuclear fuel processing have been very rare. Only about ten have occurred since the early 1940s, almost exclusively in the U.S., and though each of the more serious accidents killed one worker, no member of the general public was put at risk by this kind of accident.
 On long-term storage of highly radioactive wastes from nuclear fuel reprocessing, one of the two main sectors of concern raised by the Royal Commission, the inspectors are optimistic.
 Some aspects of the safety of nuclear installations in Great Britain; Health and Safety Executive, Barnards House, 1 Chappin Place W2

Memo
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ON OTHER PAGES

Appointments	13	Lakher News	4	Today's Events	15
Business for Sale	19	Leading Articles	14	TV and Radio	2
Company News	16	Letters	15	Unit Trusts	25
Exchange	17	Lex	26	Wall St. & Overseas	24
Finance	18	London	27	Weather	26
Foreign	19	Men and Women	28	World Trade News	4
General	20	Mining News	23		
Home	21	Money Market	14	ANNUAL STATEMENTS	
International	22	Overseas News	13	Duple Intl.	10
Legal	23	Partnership	11	Woolshed Aircraft	18
Life	24	Property	10	Race Landing Rates	24
Medical	25	Salaries	12	Stock Exch. Report	25
Politics	26	Share Information	23 & 27	Technical	26
Public	27	Stock Exch. Report	25	World Value of \$	
Regional	28	Technical	26	Bank of America	21
Science	29	The Technical Page	9		
Sports	30				
Travel	31				
World	32				

For latest Share Index page 01-246 9266

LOMBARD

Tony Crosland, think again

BY SAMUEL BRITTAN

ONE OF my more precocious childhood dreams was that Dick Crossman would become Foreign Secretary and replace the "reactionary" policies of Ernest Bevin. But unlike some people who were old enough to know better, I did not think that this was a very likely switch for Crossman to make, and perhaps it was as well for my illusion, that Sir Harold Wilson was no more inclined to try the experiment than Attlee had been. A more undergraduate fancy was that Mr. Anthony Crosland would one day become Chancellor when Labour had a spell in office.

I cannot pretend that I reacted with the same enthusiasm when Mr. Crosland really did get a top economic job for Secretary of State in charge of housing policy and local government, 10 terms of influence over public spending, allocation of resources and opportunity for use or misuse of the price mechanism. There is no doubt that he had at most the key economic job. But I was hardly surprised when he began with an intensification of rent control and housing subsidies together with municipalisation and the Community Land Scheme, all either in line or at best diversions. He was after all a normally ambitious politician. But I did have some hopes that with the second 1974 election out of the way, he would use the opportunity of the long-term Review of Housing Policy to alleviate the absurd muddle which had been created in this department of policy; and I therefore regretted when at the crucial phase, he was "promoted" to the post of Foreign Secretary.

In his new post, however, Mr. Crosland has now joined the debate on the major issue of economic strategy for the whole of the West. The greatest priority, he declared in a speech to the EEC Parliament on Wednesday, was growth and reduced unemployment; and the main contribution should come from expansionary policies from countries such as the U.S. and Japan outside the Community, as well as Germany within it.

TENNIS: NATIONAL RANKINGS

Mark Cox clear leader

BY JOHN BARRETT

THE NATIONAL rankings announced yesterday produced no surprises and few words of criticism—even from those persistent critics of the Establishment, the players themselves. Perhaps this explains why the players own lists which by tradition they produce annually for these columns, correspond so closely with official opinion.

Nine of last year's ranked men and seven of the women gave me their versions which, when computed on our usual points system of 20 for the top place down to two for the number 10, correspond exactly with the LTA's lists for the first five places in each case. Even after that the differences are slight.

No one, then, disputes that Mark Cox, with his brilliant success in Stockholm, where he beat Dibbs, Fishk, Connors and Oracles, added to a solid record elsewhere should be a clear leader.

Buster Mottram, who shared the top spot with him last year, was only marginally ahead of John Lloyd this time, while Roger Taylor has probably begun that inevitable downward drift that comes in the mid-30s.

The gritty Lancastrian, Martin Robinson, drops from 6th to 10th in the official list—one place lower than the players rate him—while the lanky Essex man, Robin Drysdale, climbs four places to number 7, which is one place higher than his fellow players place him.

The most promising newcomer is the junior champion, Andrew Jarrett, who comes in for the first time at 13, and it is pleasing to see four of his B-squad colleagues, Robun Beven, John Whieford, the under-21 cham-

LTA RANKINGS (LAST YEAR'S POSITIONS) IN BRACKETS

- MEN: 1 Mark Cox (1-), 2 Christopher Mottram (1-), 3 John Lloyd (4), 4 Roger Taylor (7), 5 John Feaver (7), 6 David Lloyd (8), 7 Robin Drysdale (11), 8 Gerald Barrick (10), 9 Richard Lewis (9), 10 Martin Robinson (6), 11 Jonathan Smith (14), 12 Michael Wayne (17), 13 Andrew Jarrett (-), 14 Mark Farrell (12), 15 Stephen Warboys (13), 16 Tony Lloyd (19), 17 John Whieford (-), 18 John Whiteford (-), 19 Roger White (21), 20 Nigel Sears (-), 21 Christopher Kaskow (-), 22 William Gowan (-)

THE PLAYERS' OWN RANKING LISTS (POINTS IN BRACKETS)

- MEN: 1 Cox (178), 2 Mottram (160), 3 Lloyd, J. (146), 4 Taylor (114), 5 Feaver (104), 6 Lloyd, D. (76), 7 Drysdale (67), 8 Robinson (39), 9 Robinson (38), 10 Smith (10), 11 Swilwell (10), 12 Wayman (3), 13 Davies (1)

At Harrow on Wednesday, two envelopes carried on the first flight from England to Australia in 1919 made £1,500 between them. One was embossed with the Rajputana infantry emblem and franked by India's halfpenny and one was stamped. It was carried from Persia to Victoria and sold for £600. The other envelope was printed with the name of a Java hotel, and franked with Netherlands East-Indies stamps.

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SALE ROOM BY ANTONY THORNCROFT

Beaufort ewer makes £12,000

THE LONDON fine art sale-rooms are active again after their Christmas break. It was the Belgravia subsidiary of Sotheby's which had the lionising yesterday, selling an extraordinarily elaborate ewer, made by R. and S. Garrard in 1835 for the Duke of Beaufort, for £12,000, more than double the forecast. A 10 per cent. buyer's premium must be added.

The price is a record for a piece of silver sold at Belgravia. The ewer is 30 inches high, weighs 446 ozs. and is in the "Royal style of Louis XIV." It was displayed at the Great Ex-

The Financial Times, Friday, January 14, 1977

Rothmans cuts sponsorship by £150,000 more

BY STUART ALEXANDER

CARRERAS ROTHMANS is to make further severe cuts in its sports sponsorship programme. The company, which is the British arm of Rothmans International, announced last night that it will no longer support minor soccer leagues in the U.K. The Rothmans soccer team, the National Golf Club Championships and the show-jumping at Olympia, London.

This is likely to allow the company to save £150,000 a year for advertising and keeping down prices.

Rothmans blames the tax system in the U.K. for the move and accuses the Government in effect of putting a tax on sport. Worst hit will be the soccer clubs in the Rothmans division, Western, Northern and Hellenic leagues. Support for them will end with the season.

The National Club Golf Championships was launched in 1974 and last year there were 1,400 entries. There will be no Rothmans-supported competition this year.

The company began reducing its involvement in sports sponsorship in 1974 when it cut motor racing in the U.K., although the international parent company still supports one car on the grand prix circuit and will continue to do so.

In 1976 tennis was cut, and last year the World Match Play and Piccadilly golf champion-

ships were also dropped. This means that Rothmans now supports only two sports leagues in the Channel Islands, which is regarded as an anomaly. The company has understood that the Channel Islands will be supporting the Admiral's Cup and the Olympic-style dinghy regatta to be held at the Motor Yacht Club in Jersey.

Behind the decisions are changes in the tax system. The end-product tax on cigarettes, introduced in 1974 with the EEC on January 1, has resulted in a 50 per cent. increase in the cost of cigarettes. The end-product tax on cigarettes, introduced in 1974 with the EEC on January 1, has resulted in a 50 per cent. increase in the cost of cigarettes.

The recent price war meant that all cigarette manufacturers were squeezed. The market has become less brand-conscious and price-conscious and Rothmans views that lower prices are a better sales aid than sponsorship.

The publication of the Spectator and Right to Life, which have come to be regarded as the equivalent of the "Widener" is likely to continue.

Radio

- 9.30 a.m. For Schools, Colleges, 10.45 You and Me. 11.05 For Schools, Colleges, 12.45 p.m. News, 1.00 Pebble Mail, 1.45 Trumpion, 2.02 For Schools, Colleges, 3.25 Bod (religious programme), 3.53 Regional News (except London), 3.55 Play School, 4.20 Roundabout, 4.55 Jackanory, 4.59 Lion, 4.59 Crackerjack, 5.35 Magic Roundabout, 5.40 News, 5.55 Reporting England, 6.20 Nationwide, 6.30 Sportsweek, 6.40 Sportsworld, 6.55 The Wonderful World of Disney.

Scotland

- 10.23-10.43 and 11.30-11.50 a.m. For Schools, 12.20-12.45 p.m. Bonn Comradh, 1.55-2.00 Reporting Scotland, 2.40 When the Boat Comes In, 3.00 Current Account, 10.15-10.45 Mr. Big, 11.23-11.26 News for Scotland.

HTV

- 1.20 p.m. Report West Midlands, 1.25 Report Wales, 1.30 Report South, 1.35 Report North, 1.40 Report Midlands, 1.45 Report South, 1.50 Report North, 1.55 Report Midlands, 2.00 Report South, 2.05 Report North, 2.10 Report Midlands, 2.15 Report South, 2.20 Report North, 2.25 Report Midlands, 2.30 Report South, 2.35 Report North, 2.40 Report Midlands, 2.45 Report South, 2.50 Report North, 2.55 Report Midlands, 3.00 Report South, 3.05 Report North, 3.10 Report Midlands, 3.15 Report South, 3.20 Report North, 3.25 Report Midlands, 3.30 Report South, 3.35 Report North, 3.40 Report Midlands, 3.45 Report South, 3.50 Report North, 3.55 Report Midlands, 4.00 Report South, 4.05 Report North, 4.10 Report Midlands, 4.15 Report South, 4.20 Report North, 4.25 Report Midlands, 4.30 Report South, 4.35 Report North, 4.40 Report Midlands, 4.45 Report South, 4.50 Report North, 4.55 Report Midlands, 5.00 Report South, 5.05 Report North, 5.10 Report Midlands, 5.15 Report South, 5.20 Report North, 5.25 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EUROPEAN NEWS

Spanish Government bans meeting of Basque city council

THE SPANISH Government today banned a meeting of more than 50 city councils from throughout the Basque region due to have been held on Sunday. It warned that it would take measures necessary to prevent it being held if the organisers went ahead. The Government's decision is certain to cause fresh bitterness in the Basque provinces, where during the first four days of this week there were serious clashes between demonstrators and riot police. Sueday's unprecedented gathering of town hall representatives had been called to coordinate demands for a full political amnesty, the use of the Basque language on the same basis as Spanish, and the restoration of some of the rights to autonomy held by the region when it had its own parliament before the Spanish War. This was also one of the topics on the agenda of today's Cabinet meeting which was expected to be largely devoted to the Basque situation. Labour problems are mentioned while becoming more acute with the estimated 100,000 workers in the Valencia region either on strike or locked out. They come that he would be travelling to the north to-morrow to talk to the mayors of several Basque towns. It is expected that while he is there he will announce the plan for the legalisation of the Basque nationalist flag. Although the Government is

Campaign against Charter 77 stepped up

VIENNA, Jan. 18. A CAMPAIGN throughout Czechoslovakia against the Charter 77 human rights manifesto has intensified in accusations by the Communist Party newspaper Rude Pravo that they are trying to prepare a counter-revolution in the service of anti-Communist centres abroad. The mass media have reported that dozens of resolutions and telegrams have been received from workers' collectives in factories and enterprises condemning the signatories of the Charter 77 manifesto as traitors, adventurers and corrupt reactionaries in the service of imperialism. The Prague Communist Party committee is said to have received more than 70 such resolutions in which the writers and intellectuals who signed the manifesto are accused of having emigrated to the West, of having broken the unity of the Soviet bloc and of having betrayed the interests of the Czech people. There is only one blot on her personal dossier—she wants to leave the German Democratic Republic to join her fiancé in West Germany. Despite detente and the East-West German treaty of 1972, it is still virtually impossible for an ordinary East German to travel to the West. In fact, the border defences and other deterrents have become more severe. This did not prevent an estimated 5,000 people escaping last year. Of these, 640 risked their lives crossing the border, the rest did not return from official trips. I met Regina during the few spare hours she had in East Berlin this week. She made the trip from her small home town in Saxony after much soul-searching and after three applications to the other Germanys where Regina wants to go. At her own request, I have changed her name, as she still wants to follow the "strictly legal way to achieve resettlement in the DDR" (Federal Republic of Germany), as official terminology calls it. She is the daughter of a factory worker and has no relatives in West Germany. She says she will do none of these things, "not yet". Regina is one of a steady stream of East Germans heading for West Germany each day. During recent weeks, plain clothes East German security officials have been approaching East Germans leaving the building, demanding to see their identity cards. Many visitors to the West have had no business there. The feeling grew that something worse was going to happen to visitors, that it was now or never. The flow of East Germans into the Mission has

E. German protest over mission

EAST GERMANY has again charged that West Germany is interfering in its internal affairs through the Permanent Mission in East Berlin. The quasi-diplomatic mission has become a magnet for East Germans seeking humanitarian assistance under the 1972 Basic Relations Treaty between the two Germanys. In most cases, the East Germans want advice on how legally to get to West Germany after their applications have been repeatedly rejected by the authorities. On Tuesday, East German guards barred citizens from entering the West German building here for the first time since it opened in mid-1974. The guards were withdrawn after West Germans protested against the measure, saying it ran counter to the agreements between the two Germanys and the Helsinki Declaration. A number of the 35 East Germans who visited the mission in the course of today say they were checked by plainclothes East German security officials in nearby streets after leaving the building. East German officials say they can neither confirm nor deny that the controls have been removed, noting that this country has not formally announced that any controls are in effect. Some West German officials feel that East Germany may have reached the point where it feels it can challenge the humanitarian portions of its agreement with West Germany. These were the price for recognising the East German state in 1972.

One way to the West

fallen from its peak of more than 50 a day, but it is still well above the level of only a year ago. Regina Witte heard vague rumours of all this in Saxony. The East German Press was reporting nothing on the subject but attacks against West Germany had been building up in recent weeks. West German radio and television, which she follows regularly, have not said much, heading the experience of 1981 when over-enthusiastic coverage of the massive exit of East Germans from their country may have contributed to the final stampede which ended in the building of the Berlin Wall on August 13, 1961. Until two years ago, Fraulein Witte had not seriously considered leaving East Germany. She wondered like so many other East Germans, what life would be like in West Germany—was it as brilliant as the TV pictures? But there was no chance of her seeing the West with her own eyes, so she seldom thought of leaving. Then, in late 1974, she met Udo in an industrial labour in her home town. Udo and his parents were visiting the town where they had lived until 1961. This was his first time in East Germany since he was taken to the West by his parents as a small boy. Along with many of the 5,000 escapees who were leaving East Germany each day, they rode on the elevated railway from East to West Berlin, with their belongings in a brown suitcase under their seat. "Now Udo was a West German, just out of military service, and about to start work in a well-paid electronics job. He was one of the 700 annual visitors to East Germany from West Germany and West Berlin. Udo, the other westerners, and the East Germans they were visiting, were beneficiaries of the Basic Relations Treaty signed in December, 1972, by the two Germanys. The price for obtaining recognition by West Germany, and exchanging permanent missions between East Berlin and Bonn, East Germany

Despite detente and the East-West German treaty of 1972, it is still virtually impossible for an ordinary East German to travel to the West.

was to be opened up for western Germans. They coexisted to pour into the country, while there remains no chance of East German Regia and Udo saw a great deal of each other in the next few days, until it was time for him to return to West Germany. They wrote almost daily, and Udo returned to visit her twice in 1975 when they became engaged. At one point, Regia asked him whether he would consider "resettling" in East Germany, but he scoffed at the idea. Shortly afterwards, she sent her first handwritten application to the District Council. A few months later, she received a negative reply saying that her fiancé should join her in the German Democratic Republic. Regia wrote again explaining the situation, and this too was rejected. Her third letter, this time to the Government in East Berlin, was answered in the form of a summons to appear at the local police station. There she was told in no uncertain terms that she was acting provocatively and should desist. In no circumstances would she be allowed out, if she married the young man from the West. At this point, Regia Witte joined thousands of her countrymen and packed a small overnight bag for a trip to East Berlin where she walked into the West German mission and asked to see someone who could "give me some advice". After waiting in a room filled with other East Germans of all ages, she was able to speak with a West German official in the legal section. He explained that only she could make a decision. After hearing her story, he took down her name and that of her fiancé in West Germany. Regia's name will be sent to West Germany and matched with a number of names on a list of people whose names will be presented at meetings with East German officials. In 1972, when the two Germanys signed their treaty, the main problem was long-divided families, remnants of a divided Germany. Now, however, new ties are being created almost daily across the border, and the East German Government is faced with a steady rise in the number of humanitarian applications. Most alarming to the authorities here, however, is the even greater number of East Germans who have no relatives in the West and are now applying to leave the German Democratic Republic for West Germany.

Quiet contacts by Suarez

BRUSSELS, Jan. 18. THE SPANISH Government has been quietly talking behind the scenes to leaders of the Basque nationalist movement in an effort to find a solution to the growing unrest in the Basque region. According to well-informed sources here, members of the Basque National Party (Partido Nacionalista Vasco) are pressing the Spanish Prime Minister, Sr. Adolfo Suarez, to negotiate on the basis of a limited form of autonomy for the Basque region. The Basque party's initial demands are understood to be more moderate than those of the Basque guerrilla organisation, ETA, which wants outright secession, but are still regarded as being too radical to win acceptance from the Spanish Government in the present climate. The party claims it has no organisational link with the guerrilla organisation. The party was the largest in the

Yugoslavs and Romanians in talks on tactics

VIENNA, Jan. 18. INDEPENDENT-MINDED Yugoslav and Romanian Communist leaders have decided to coordinate closely their tactics during the preparations for the Conference on Security scheduled for the end of June in Belgrade. The common attitude towards Moscow was thought to be one of the major topics in the talks in Bucharest this week between Yugoslav Party secretary, Mr. Alexander Rankovic, and the Romanian President, Nicolae Ceausescu. Meanwhile, an article in the Romanian Party paper stressed that the recent visit of the Italian Communist leader, Mr. Enrico Berlinguer, to Bucharest confirmed that both parties were determined to assert the principles adopted at the East Berlin International Communist Conference last summer about the full independence and autonomy of each Communist party and the non-interference in internal affairs. Yugoslav observers regard the five-day visit of a senior Italian Communist official, Sig. Giorgio Napolitano, to Budapest earlier this month as a significant sign of interest by the Hungarian party in the phenomenon of "Euro-communism." The Hungarian party has refused to condemn Euro-communism and has just published the selected speeches of the Italian leader delivered at the last Soviet Party Congress. The Yugoslav Press, meanwhile, has again begun publishing critical pieces about neighbouring Bulgaria, the Soviet Union's closest ally in Eastern Europe. Yugoslav Foreign Minister Milos Micic said in an interview this week that due to the Macedonian conflict and cover Bulgarian ambitions, Yugoslavia is distrustful of Bulgaria's real motives. Her refusal to recognise the existence of a Macedonian nation is a barrier to a further improvement of Yugoslav-Bulgarian relations, he said.

EEC commissioner hints at US air industry links

LUXEMBOURG, Jan. 18. VISCOUNT Davignon added that he hoped to develop a programme under which, over a course of years, national government aids to the aeronautics industry would be replaced by European Community aid from Brussels. At the end of a brief debate on the problems facing the industry, Mr. Henk Vredeling, the Social Services Commissioner, said the problem of unemployment would be high on the agenda of any new programme to tackle unemployment generally: to the EEC. In the past few years, there had been a decline of about 7 per cent in jobs in the aeronautics sector of the Common Market, but this was a general problem shared with the shipbuilding, textiles and artificial fibres sectors in particular.

New round of talks open on W. German pensions

BONN, Jan. 18. CHANCELLOR Helmut Schmidt and Herr Hans-Dietrich Genscher, leaders of the West German coalition parties, this evening opened yet another tense round of talks on the problems of the old age pension system, amid confident predictions from the Opposition Press that if they failed to agree, the coalition itself might be strained to breaking point. Although that is probably exaggeration, the two party leaders and their colleagues are all too well aware that as their under-way terms of office gets confused pensions situation will be more closely followed than any other single piece of domestic policy. Just before the coalition formally took office again last month, Herr Schmidt was forced by the FDP to fire his Minister of Labour, Herr Walter Arendt, who was widely criticised for the confusion—and the Chancellor was even the lucky to be the ballot of the new Parliament. The FDP's seizer then was caused by a clumsy compromise

Sweden puts off aircraft decision

STOCKHOLM, Jan. 18. THE DECISION to build a new "trainer/strike" aircraft for the Swedish air force has been postponed following a division of opinion within the three-party governing coalition. The Government order is essential for the Swedish aircraft industry and in the development of the Saab-Scania, manufacturer of the Draken and Viggen aircraft, who will be without work for their research and design staff. The small liberal party would not agree to the inclusion of a KR-500M, a year allocation for the development of the aircraft in the five-year defence budget to be presented to parliament this spring, although its representative on the defence commission had voted for it along with the centre and moderate parties. The Social-Democratic opposition is against expenditure on the aircraft. The new defence budget will entail spending of over Kr.50bn. in the 1977-82 period. Saab-Scania, it is understood, will be asked to cooperate with the development of four missiles, two for the air force and two for the army.

Irish power dispute ends

DUBLIN, Jan. 18. IRELAND'S five-week electricity dispute, which has led to an increasing rate of power cuts in the last week and since yesterday had begun to disrupt industrial production, ended today when the 27 men at the centre of the row agreed to end their work-to-rule. The decision by the 27 men at the Shannonbridge peat-burning power station, and therefore their colleagues at more than a score of other power plants across the Republic, to call off the go-slow came just as blizzards here started to accentuate the effects of the power cuts. The dispute centred around manning levels at a new 571m extension to the Shannonbridge

Russian fishing plea

THE RUSSIANS, who are now barred from fishing freely in the EEC's 200-mile limit but who have yet to agree to talk to the Community about the problem, have re-emphasised that they are interested in negotiating for available fish surplus. In a report on Soviet fisheries policy, the leading periodical Literaturnaya Gazeta says that every year up to 70m tons of fish are caught throughout the world, whereas offshore areas contain at least 500m tons of fish that could be used as food. "If a littoral state cannot land 100 per cent of the potential fish catches or other sea produce it should allow other States to draw on the unused portion of its sea resources in the area," the report says.

European Commission to draft unemployment policy

LUXEMBOURG, Jan. 18. THE EUROPEAN Commission intends to draft a "significant and comprehensive" policy document during the next six months that will spell out a strategy for tackling the unemployment problem throughout the Common Market. Mr. Henk Vredeling, Commissioner for Employment and Social Affairs, told the European Parliament here today that the document would be put before the Council of Ministers and a specially convened tripartite conference as well as before the Parliament. In his first policy statement to MPs since becoming a Commissioner, Mr. Vredeling confirmed that his main concern would be to devise a strategy in close partnership with member governments to cut unemployment. He emphasised the need to deal with the underlying structural problems that caused unemployment, and for closer co-ordination of the agricultural, regional and social funds. At present the policies of national governments were not sufficiently co-ordinated and often pulled in different directions, Mr. Vredeling said. What was needed was broader economic and social Community action that would complement each other and would dovetail into the policies of national governments. Meanwhile, a resolution proposing that the Common Market should make more use of its economic muscle when negotiating trading agreements with other countries was passed by the European Parliament despite fierce opposition from the Socialists. The disputed proposal, put forward by Mr. James Spicer, Conservative MP for Dorset North, was that the Community, in return for trade concessions, should seek guarantees for investment and for supplies of raw materials. The Socialist group argued that this attitude could be construed as an act of economic imperialism and an unfair use of economic strength against the Third World. A decision in the legal dispute between the U.K. and France over oil exploration rights in the Western Approaches should be reached by the end of the summer, the European Parlia-

Advertisement section containing various business listings: WEIGHING AND AUTOMATIC PACKAGING, THREADED FASTENERS FOR SALE, PRAM & PUSHCHAIR (NURSERY RANGE) FOR SALE, WEST MIDLANDS, INSTRUMENT MANUFACTURING, BRESTOL ENGINEERING COMPANY, TRAVEL AGENTS, TORONTO, CANADA, HOTELS AND LICENSED PREMISES, Knight Frank & Rutledge, LONDON PRIME WEST END LOCATION, WEST COUNTRY FULLY LICENSED HOTEL, FULLY LICENSED PUBLIC HOUSES WITH RESTAURANTS, LONG Leases for Sale, BUSINESSSES WANTED, OUSE STEEL LTD., WHITTLESEY NR. PETERBOROUGH, WANTED EMPLOYMENT AGENCY, TO GROW OR NOT TO GROW?

AMERICAN NEWS

Christian Democrats attack Pinochet

By Our Own Correspondent

NEW YORK, Jan. 13. THE CHILEAN Christian Democratic Party, before the military coup of 1973 the country's largest single political grouping, is rapidly stepping up its attacks in the government of General Augusto Pinochet.

The Christian Democrats are counting on support from the latter administration in the United States and trust that Vice-President Mondale, in particular, who has expressed opposition to General Pinochet's policies, will increase pressure on the military junta in Santiago. Hitherto, the Chilean Christian Democrats have been rather favourable or neutral towards the Pinochet administration.

Christian Democratic opposition to the junta is most obvious in its new bulletin La Verdad (Truth), which members of the party are producing in Santiago or private circulation. La Verdad, whose masthead motto is Lord Acton's aphorism "power tends to corrupt, absolute power corrupts absolutely," has much in common editorially with many sheets circulated in Chile and abroad by supporters of the former Allende Government.

Carter may relax Cuba embargo

BOSTON, Jan. 3.

RESIDENT-elect Jimmy Carter is expected to consult with congressional committees about relaxing the U.S. trade embargo against Cuba, the Boston Herald American has reported. The newspaper said that Mr. Carter would talk over the possibility of taking such action with the Senate Foreign Relations Committee and the House International Affairs Committee.

The newspaper reported that senior foreign policy advisers "scolded" that Mr. Carter is considering "a partial lifting of the year-old trade embargo within the first 100 days of his administration." Secretary of State-designate Cyrus Vance appeared before the Senate Foreign Relations Committee on Tuesday. He mentioned a U.S. boycott of Cuba, saying that it "has been effective."

Mexico raises oil reserves estimate

MEXICO CITY, Jan. 13. MEXICO'S state oil company, Pemex, has sharply increased its estimates of petroleum reserves and announced new production figures which will make the country a major world oil exporter.

The Deputy Director for Production, Sr. Hector Lara Sosa, said that Pemex would progressively increase its exports of crude and refined petroleum to more than 1m. barrels a day by 1982 from the present 130,000.

He also said that the company, which has traditionally been cautious about its reserves, now believes that it has proven deposits of 11bn. barrels underground and good prospects of finding more oil. Reuter

Venezuela ends year with \$500m. budget surplus

By JOSEPH MANN

CARACAS, Jan. 13.

VENEZUELA concluded 1976 with a budget surplus of more than \$500m., according to the year-end report of the Central Bank, with income of \$9,970m. and expenditure of \$9,460m. This continues the trend set after oil prices rose precipitously in 1973, when official revenues and expenditures rose spectacularly. Thus far, in spite of steadily rising imports, the Democratic Action Party Government of Sr. Carlos Andres Perez has been able not only to successfully avoid trade deficits but to register surpluses and international reserves that are the envy of Latin American neighbours.

The Venezuelan Central Bank's preliminary report on 1976 economic activity revealed that the Government's total debt for the end of December reached 22.8bn. Bolivars (\$5,290m.), up more than 77 per cent from the \$2,980m. registered at the close of 1975.

The foreign component of Venezuelan official debt amounted to \$3,380m., the bank said. This does not include a \$1.2bn. loan now being negotiated by the Government. Furthermore, the \$1bn. borrowed last autumn from a group of foreign banks did not add to the overall debt figure since this money was applied to refinancing existing short-term obligations.

Previous figures on Venezuelan Government debt were considerably lower than those published by the Central Bank in its 1976 review since other estimates failed to include indebtedness accumulated by all official agencies. The Central Bank also reported that Venezuela's international reserves totalled \$8,570m. at the end of December, down 5.5 per cent from 1975.

The Government began 1976 with a \$7.7bn. budget, but additional allocations brought it to an all-time high of \$10.36bn. by the end of December. However, the Treasury ended the year with a healthy surplus since much of the projected 1976

spending will be effected this year.

On inflation, the Central Bank said that the cost of living index for the Caracas metropolitan area rose by 7.7 per cent, between January and November, down from the 10.5 per cent rate for the same period in 1975. Wholesale prices for the first three quarters of last year increased 7.6 per cent, the Bank reported, a substantial fall from the 15.2 per cent increase during the first nine months of the previous year.

The Bank report, presented by

Central Bank President Benito Raul Losada, also stated that petroleum, iron ore, manufacturing, construction, commerce and banking performed favourably during the year while agricultural production—despite multi-billion dollar investments—declined.

Heavy flooding in some parts of the country, drought in other regions, disputes over prices and other problems seriously affected production in rice, maize, coa, sugar, meat and other items, and caused the Government to import heavily.

More payments problems predicted for Brazil

By HUGH O'SHAUGHNESSY

NEW YORK, Jan. 13.

BRAZIL will have a substantial payments deficit this year and will continue to face unparalleled balances of payments difficulties for some years to come. This is the sombre conclusion of Prof. Edmar Bacha, formerly Professor of Economics at the University of Brasilia and now teaching at Harvard, in an analysis quoted in the current number of *Opinio*, the leading Rio de Janeiro political weekly. The analysis is published in the February issue of *World Development* magazine.

This year debt servicing will consume no less than 51 per cent of Brazil's receipts from imports, Prof. Bacha forecasts. The current account deficit should be about \$3.2bn., interest payments on foreign debts \$2.3bn. and amortisation \$3.6bn. and by the year-end Brazil's foreign debt, net of international reserves, should reach \$25.8bn. against \$22.6bn. at the end of 1976.

Prof. Bacha suggests that both this year and next will be years of austerity in Brazil as only through austerity will the Government keep its "international credibility."

He suggests that Brazil's international creditors are likely to force the authorities to continue a policy of austerity. "This means," he says, "that the investment plans which were pigeon-holed in 1976 will only be taken out again in 1980."

Opinio, which continues to be endorsed by the Government, appeared with blank spaces on its editorial page, indicating that excisions were made by the censor.

U.S. business to place new orders

U.S. BUSINESS firms are getting ready to place new orders again after reducing their inventories over the past few months, the December survey by the National Association of Purchasing Management shows.

The survey, based on interviews with the group's members, shows an increasing number of purchasing managers planning additions to inventories in January while the number of those considering further cuts is declining.

Canadian consumer prices rise by 0.3%

OTTAWA, Jan. 13.

CANADA'S consumer price index rose to 152.7 in December by 0.3 per cent from 152.2 in November and up 5.8 per cent from 144.3 in December, 1975. Statistics Canada said. The index has a base of 100 for 1974.

The annual average increase during 1976 was 7.5 per cent, compared with 10.8 per cent in 1975, 10.9 per cent in 1974 and 7.5 per cent in 1973.

The index for all items excluding food was 147.9 in December, up 0.3 per cent from 147.4 in November and up 5.4 per cent from 138.4 in December, 1975.

Notable price increases were registered for tobacco products, dry cleaning services and train fares.

On a seasonally adjusted basis, the all items consumer price index advanced by 0.3 per cent between November and December. This included a 0.7 per cent increase in the food index and a 0.3 per cent rise in the index for all items excluding food.

In December the current annual rate of change in the consumer price index based on the seasonally adjusted movement in the latest three-month period was 6.8 per cent.

AP-DJ

Tanker crews criticised

WASHINGTON, Jan. 13.

SPOKESMEN for U.S. merchant seamen said that U.S. Atlantic and Gulf Coast ports are rubbish dumps for oil tankers operated by some of the world's worst crews.

"The greatest threat to our environment is presented not by the vessel itself but by the nature of the crew on board the vessel," said Mr. Paul Hall, President of the Seafarers International Union. Mr. Hall urged the Senate Commerce Committee to require U.S. tankers to be operated by U.S. crews in the nation's ports.

Mr. Jess Calhoun, testifying for the Marine Engineers' Beneficial Association, said that U.S. ports are "victims of geography" because they are so shallow that only smaller non-union tankers operate there. "We are the garbage dump for tankers of the world," he said. Mr. Hall said that major oil companies put their tanker under the Liberian flag "to escape American taxes, American labour and American safety standards and requirements." AP

Ford's control over Republican Party now seems tenuous

By JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 13.

THE ONLY remotely surprising element injected into the actual delivery of President Ford's final State of the Union message last night was the use of one word—"maybe."

"This report," Mr. Ford said, "will be my last," and then he paused and added the word "maybe," producing laughter and then applause.

But in spite of the sentimentality and affection for Mr. Ford that marked last night's ceremonial occasion, the reality seems to be that the President's control over the Republican Party, and therefore his hopes for securing the nomination to run again for the presidency, is at best tenuous.

Even his long-time friend, Congressman John Rhodes from Arizona, the House Republican leader, seemed to concur with this last night. He was asked on television after the speech if he thought Mr. Ford would be the dominant force in the Republican Party in the future and replied with some care that in his view Mr. Ford would be "a force" no more.

First proof of this is going to be provided to-morrow and over

the week-end when the party hierarchy meets in Washington to select a new National Chairman. With the withdrawal earlier this week of Mr. James Baker, the President's campaign manager, Mr. Ford has no candidate of his own whose case he can unreservedly back.

Mr. Baker took his name out of consideration because he concluded that even if he did win it would only be after the protracted sort of battle that he had little enthusiasm for. This, in itself, is evidence of the split between Conservatives and moderates inside the party and the inability of Mr. Ford to impose unity over the recalcitrance of Mr. Ronald Reagan and Mr. John Connally.

The leaders in the contest appear to be Mr. Richard Richards from Utah, Mr. Reagan's choice, and ex-Senator William Brock from Tennessee, a conservative but enough of an establishment figure to be arguably acceptable to at least some party moderates.

But there are a fatal of state party chairmen who have thrown their hats into the ring, any one of whom could emerge as a compromise selection.

Date for summit after trips by Mondale

U.S. PRESIDENT-elect Jimmy Carter and Japanese Prime Minister Takeo Fukuda have agreed that the date and place of the forthcoming economic summit of leading industrial nations should be fixed after visits to Europe and Japan by Vice-President-elect Mr. Walter Mondale, according to Japanese Government sources.

Reuter reports from Tokyo. The agreement came during a 15-minute telephone conversation, the first of a series Carter intends making to leaders of major U.S. allies, during which Mr. Fukuda was also invited to visit Washington, they added.

Miami-Paris flights

National Airlines has asked the Civil Aeronautics Board (CAB) for temporary permission to fly non-stop between Miami and Paris from May 1.

The flights would operate four times a week in the peak summer travel season, three times a week in winter. Mr. J. Dan Brock, vice-president of marketing, said at a news conference in Miami yesterday that U.S. flag service from Paris to Miami "can be expected to generate needed tourism from Europe to South Florida."

The CAB has authorized increases in various promotional fares between the U.S. and Pacific area points until March 31. AP-DJ reports from Washington. At the same time, the Board disapproved increases in regular economy and first class fares in group tour fares from 5 per cent to 10 per cent over those now in effect. The two U.S. flag carriers affected by the CAB action are Pan American World Airways and Northwest Airlines. The CAB said that the two carriers could be expected to receive \$15.4m in added revenues if the increases were to apply for a full year.

Concorde ban sought

The Connecticut Transportation Commissioner has proposed a Bill to ban Concorde from landing in that state. AP-DJ reports from Hartford. Commissioner James Shugrue appeared before the state legislature's Transportation Committee to request passage of the Bill and several other measures related to his department. The Concorde Bill would set noise limits at Bradley International Airport in Windsor Locks, the only airfield in the state that could accommodate the Anglo-French aircraft.

CAB backs fare rise

THE Civil Aeronautics Board (CAB) has authorized increases in various promotional fares between the U.S. and Pacific area points until March 31. AP-DJ reports from Washington. At the same time, the Board disapproved increases in regular economy and first class fares in group tour fares from 5 per cent to 10 per cent over those now in effect. The two U.S. flag carriers affected by the CAB action are Pan American World Airways and Northwest Airlines. The CAB said that the two carriers could be expected to receive \$15.4m in added revenues if the increases were to apply for a full year.

General Telephone 'made Philippines payments'

By STEWART FLEMING

NEW YORK, Jan. 13.

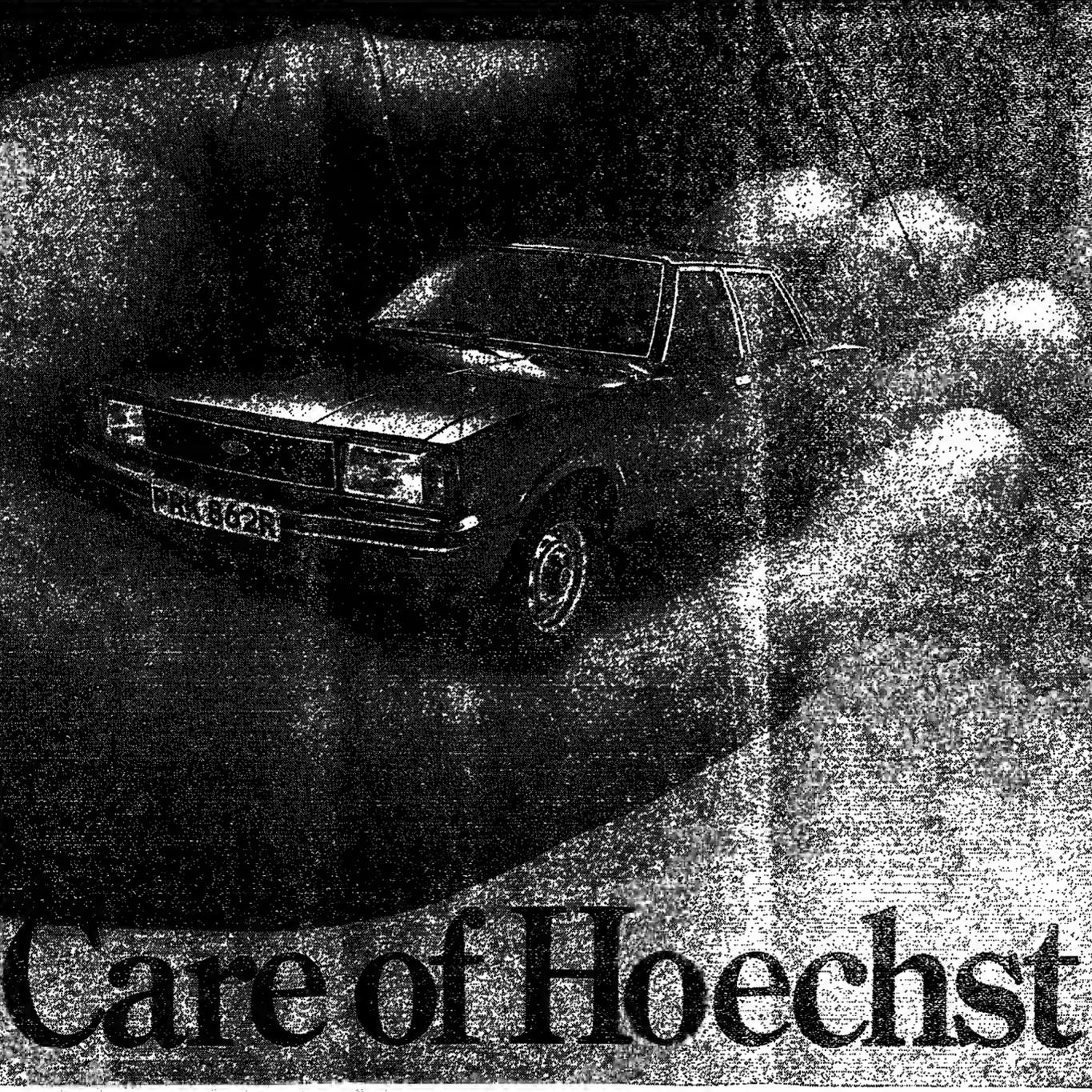
THE SECURITIES and Exchange Commission has alleged that General Telephone and Telegraph has made payments of some \$4.5m. in connection with the sale of its controlling interest in Philippine Long Distance Telephone.

The SEC suit is filed against Philippine Long Distance Telephone, rather than General Telephone. But it alleges that the latter company made an agreement with stockholders of Philippine Telecommunications, which now controls Philippines Long Distance Telephone, where it would pay them undisclosed commissions in connection with Philippine Telecommunications' purchase in 1971 of General Telephone's controlling interest.

Philippine Long Distance Telephone.

The suit alleges that the Philippine Telecommunications Investors group received \$1m in personal loans, and a promise to pay an additional \$1m. in commission payments in 1971 in exchange for "directing" Philippine Long Distance Telephone to sign a supply contract with General Telephone worth about \$20m.

General Telephone has previously described these arrangements in corporate reports, but did not identify the company, person or country involved. The defendants named in the suit, without either admitting or denying the SEC's allegations, have consented to a Federal court order to settle the complaint.



The paint you don't see—the primer—is also important in determining the life of the car body it protects.

And who has provided Ford with an advanced electrocoat primer, for the car that's 'Built to Last'?

Hoechst—through its subsidiaries Berger Paints in the UK and Stollack in Austria.

Hoechst is one of the world's largest companies. Last year it spent over £200 million on research alone.

Hoechst in the UK employs over 8,000 people. In 1976 its UK companies had a turnover of about £300 million.

Its products in the UK, apart from decorative and industrial paints, include plastics, dyestuffs, chemicals, fibres, pharmaceuticals, sunglasses, hair care products, perfumes.

Hoechst

In the UK, Berger paints are produced in Dagenham, Stratford, Bristol, Newcastle, and East Kilbride.

For more facts, please write: 'Care of Hoechst' Salisbury Road, Hounslow, Middlesex. Or phone 01-570 7712 ext. 3145.

Care of Hoechst

OVERSEAS NEWS

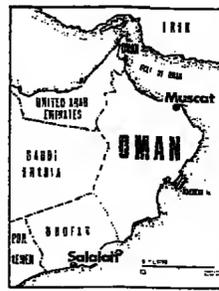
Iran may withdraw troops from Oman to calm Gulf

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

TEHRAN, Jan. 13.

THE SHAH of Iran has decided to withdraw most of his troops from Oman where, for more than four years, they have been supporting Sultan Qaboos against the Dhofari rebels.

which the Iranian presence posed was evident in November, when the Gulf foreign ministers were meeting in Muscat, and an Iranian jet fighter on a reconnaissance flight was shot down over the Republic of Yemen.



At present, the Iranian expeditionary force in Dhofar, the southern province of Oman which borders on the People's Democratic Republic of Yemen (Aden), has two battalions and an aircraft carrier.

Now that the Sultan's armed forces are in control of Dhofar, and that the border cease-fire with Saudi Arabia has been in effect since last March between Oman and the Republic of Yemen is proving effective, Iran has been under pressure to withdraw.

Iran has been particularly keen for the Iranians to go. The kind of embarrassing assistance to the Sultan for two

main reasons. First, he was disturbed by the possibility of a hostile regime taking over in Oman with radical leanings which would pose a major threat to Iran's oil supplies.

The latter motive has been evident in the way that troops have been rotated, usually on a three to four month basis. The frequent changing of troops and their general inexperience, has contributed to a high casualty rate.

Arab diplomatic sources suggest that the pull-out is in the context of determined efforts by the Shah to improve relations with the Gulf states. This would prove that Iran, with the Dhofar war over, has no imperialist ambitions. It could pave the way for easier Arab relations with the Republic of Yemen which Saudi Arabia and Kuwait are seeking.

Tax cut approved by Japan Cabinet

By Douglas Ramsey

TOKYO, Jan. 13.

THE JAPANESE Finance Ministry asked today for a 19.1 per cent increase in public works spending in fiscal year 1977 in the economy going, and won cabinet approval for a 3.1bn. (Y316bn) cut in taxes to offset an erosion in real incomes in 1976.

The cabinet is expected to endorse shortly the draft 1977 budget announced to-day by Finance Minister Hideo Yo. and send it to the Diet before the end of January. In it, Mr. Yo is proposing a record total budget outlay of Y28,500bn., a 1.74 per cent increase over the original budget for fiscal year 1976.

The draft budget details were announced only days after the cabinet published its 6.7 per cent target for real growth of GNP in fiscal year 1977.

Israel awaits Paris explanation

By L. DANIEL

TEL AVIV, Jan. 13

ISRAEL IS awaiting an explanation by the French Government regarding the release of Palestinian guerrilla leader Abu Daoud before taking any decisions on future Franco-Israeli relations.

Israel is also waiting for the text of the proceedings of the court which freed Daoud, as well as an account of the grounds on which the judgment was based.

It is understood that the whole complex of Franco-Israeli relations is currently being reviewed, but there appears to be no intention at this stage to

break off diplomatic relations. One of the subjects bound to come up for re-examination is the visits to Israel by the French Foreign Minister, M. Louis de Guingaud, the French Minister of Commerce and Industry, M. Law, and the French Justice Minister of Culture, Mme. Francoise Girard which had been planned for coming months.

Mr. Samuel Gomon, American chargé d'affaires in Paris, was called to the French Foreign Ministry and told that the statement was "an inadmissible

judgment of the actions of French justice," according to a Foreign Ministry statement. Reuter adds from Bonn: Herr Paul Gueuter Poetz, head of the West German Justice Ministry's Department of International Law, accused French Justice authorities to-day of using a formality as an excuse for freeing Daoud.

Article 9 of the Franco-German extradition agreement, on which the decision was based, which states that a request by one country for a warrant to be held in custody must be confirmed simultaneously through diplomatic channels.

Mr. Gomon, American chargé d'affaires in Paris, was called to the French Foreign Ministry and told that the statement was "an inadmissible

Jordan's re-emergence welcome

By TCM ACKERMANN

TEL AVIV, Jan. 13.

REINFORCED in its convictions by the Abu Daoud affair, Israel remains determined to fend off any new Middle East peace initiative that offers the Palestine Liberation Organisation a sovereign negotiating role.

At the same time, senior officials here draw encouragement from what they see as a genuine interest by the Arab states in re-involving Jordan with bargaining authority on the Palestinian issue, possibly to the point of tacitly renouncing the 1974 Rabat summit decisions.

Israel, the officials indicated, would be ready to follow a re-convened Geneva conference with a Jordanian delegation that includes Jordan PLO members, but would reject any united Arab contingent within which

the PLO could be presumed to enjoy parity standing with the established governments.

The most significant sign of the PLO's political eclipse, analysts here believe, is Syria's apparent decision to join Egypt and Saudi Arabia in coaxing a wary King Hussein towards resuming an active diplomatic role.

The Israelis do not think that the King is in a hurry to reassert himself as a broker for a Palestinian settlement. But after an extended period of neglect in relations with West Bank leaders, he has begun a politically selective distribution of financial largesse among local notables.

The most prominent is former Hebron Mayor Mohammed Ali Jahari, who to-day completed a two-week stay in Amman,

during which he expressed support for a territorial plebiscite following Israeli withdrawal and pointedly denied the PLO's automatic right to form a Government.

If the question of representation at Geneva can somehow be overcome, the minority caretaker Government of Mr. Yitzhak Rabin would be prepared to participate in a ceremonial reopening of the conference.

Among other important budget items, defence expenditure is set for a 1.8 per cent increase in 1977, by 11.8 per cent, and experts think that this spending level will reduce the share of defence spending in Japan's GNP from 0.9 per cent to 0.88 per cent.

Australian payments into surplus

CANBERRA, Jan. 13.

A SHARP LIFT in net apparent capital inflow swung Australia's balance of payments, as measured by net official monetary movements, into a 340-million-dollar surplus in December, from an \$85m. (revised) deficit in November, the Statistics Bureau reported.

The statistics show private capital and balancing item recorded a \$610m. surplus in December—the first month after the November 29 devaluation—against a \$171m. revised deficit in November and a \$438m. deficit in December, 1975.

A \$1m. outflow on Government capital made net apparent capital inflow in the month \$609m. against a \$8m. revised inflow in November and a \$648m. outflow in December, 1975.

Rhodesia UN hearing bid

SALISBURY, Jan. 13.

RHODESIA to-day said it had formally asked to be allowed to take part in a United Nations Security Council debate in which Botswana alleges border violations by Rhodesian forces.

A Foreign Ministry statement said the request had been made in terms of the UN Charter, which provides for participation in Security Council debates by non-member states.

At the Council's first meeting of the new year yesterday, Mr. Archie Moggie, Botswana's Foreign Minister, said his country's territorial integrity had been violated 98 times since independence in 1966. He also called for economic help.

The incidents, involving murder, arson, kidnapping and the blowing up of houses, had increased in frequency and seriousness and were no longer directed at refugees from Rhodesia but at Botswana nationals, he said.

Mr. Moggie said these "unprovoked acts of war" were designed to intimidate Botswana into changing its policy of giving refuge and assistance to victims of oppression in Rhodesia.

wana's Police Mobile Unit, as a self-defence measure, would cost about \$20m. over four years. He appealed to the international community to provide financial aid.

John Stewart writes from Cape Town: The arrest of more than 200 people in Cape Town's African townships in the past week was followed to-day by the largest turnout of children at the peninsula's four African high schools since the start of the boycott of the Government's bantou education system five months ago.

Education authorities and the police said the mass arrests had not needed a large number of militant youths who had inhibited the majority of school children and thwarted efforts to resume normal classes.

A delegation of 30 black pupils met the director of Bantu Education in the Cape, Mr. Desmond Owens, yesterday and gave details of conditions which could lead to the end of the classroom boycott.

After a frank discussion the pupils suggested that representatives from four secondary schools should meet the director on Monday to announce whether or not there would be a return to normal schooling.

ON OTHER PAGES
International Company News
Pugosi-Clorén record
Swedish Match workers 20/21
Farming and Raw Materials
Tin buffer stock exhausted
World wheat crop estimate up 23

PLO tops agenda in Hussein-Sadat talks

By MICHAEL TINGAY

CAIRO, Jan. 13.

KING HUSSEIN of Jordan arrived in the Upper Egyptian town of Aswan to-day for five days of talks with President Sadat, the central theme of which is likely to be the future role of the Palestinians.

King's semi-official newspaper Al Ahrar listed four topics for discussion by the two sides: Coordination of the four confrontation states' movement towards a Geneva Peace

conference; and Jordanian-Egyptian relations. Discussions should close the circle with the limited Arab summit in Riyadh in October which forced Egypt and Syria into a rapprochement.

Rapidly improved relations between Cairo and Damascus led to the visit last December by President Hafez Assad for talks with Mr. Sadat. The Syrian and Egyptian Presidents' talks culminated in

a declaration that a series of peace committees would be set up to question, however, surrounds the two states. Syria had already been working with Jordan for a long time on a similar long key project to bring Amman and Damascus closer together.

The moves towards unambitious and loose-linked unity will be completed by the Aswan talks and enable the three regional PLO as the sole representatives of the Palestinian people.

WORLD TRADE NEWS

ECGD statutory limit to be increased to £25bn.

By LORNE SARLING

CREDIT SUPPORT for British exporters by the Export Credits Guarantee Department is to be increased from £18.2bn. to £25bn. with provision for further increases to a total of £40bn.

The measures are proposed in the International Finance Trade and Aid Bill, published yesterday, which also contains proposals to enable ECGD to take on foreign currency commitments of up to 10bn. special drawing rights (SDRs).

The £25bn. figure relates to the total amount of ECGD in providing insurance cover for British exporters against default on liabilities by overseas clients. The ceilings on these revolving liabilities are set by the Bill.

The rapid increase in the use of ECGD services is illustrated by the £12.2bn. limit set by the Export Guarantees Act in 1975, which the new Bill seeks to amend. The Act provided for three increases of £2bn. of which two had been taken up and the third would shortly have been sought.

for three staged increases of £5bn., for which Parliamentary approval must, as in the past, be sought.

ECGD stressed yesterday that the powers to extend direct loans to overseas buyers of British exports in certain circumstances, were regarded as a contingency measure.

It enables us to undertake that if no foreign currency is available in a specific case, we would be able to step in and take the foreign currency commitment, ECGD said. This is the first time the department has been able to become directly involved in export credit financing.

The scheme has the advantage to the Government of eliminating the refinancing from public funds which ECGD undertakes when buyer credits are financed in sterling. This problem was raised by the Chancellor, Mr. Healey, last year.

that ECGD will be able to play a role as guarantor to the existing portfolio for continued availability of foreign currency.

The Bill will authorise ECGD to undertake commitments in foreign currencies under a limit of 10bn. SDRs with provision for staged increases to a total of 25bn. SDRs. At present £1 is the equivalent of 147 SDRs.

It was added that the use of foreign currency financing would have "substantial public expenditure and public spending benefits" and would also bring "balance" of payments benefits to the U.K.

ECGD yesterday guaranteed the £202m. loan which Lloyds Bank International acting on behalf of Lloyds Bank Limited, has made available to Dubai Aluminium Company (DUBAL). This is the biggest ever loan to be guaranteed by ECGD.

Electronics aid plan rejected

By CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

A SENIOR official of the European Commission yesterday rejected criticism that the organisation is giving insufficient aid to Europe's electronic information industries (computers, telecommunications and electronic components).

Speaking in London, Mr. Christopher Layton, head of the Commission's advanced technological industries division, said that the proposed £43m. four-year support programme for data processing was only the first stage in its strategy for increasing Europe's "informatics" markets and industry.

He hoped the Council of Ministers would reach basic political agreement on the data processing proposals in the next six months. This could include an understanding on a framework for harmonisation of national legislation on computer privacy, he said.

The privacy proposals are likely to prove particularly sensitive to individual member states, though Mr. Layton said harmonisation would be necessary in an area of cross-frontier data networks in order to stop "data havens" making national legislation ineffective.

Underlining the importance of the Commission's proposals for shifting some of its Budget spending away from agriculture towards industry, Mr. Layton said the electronic information industries would be responsible for over six per cent of national GNPs in the 1980s, and represented "the most important industrial sector for the future growth and development of a modern economy."

As part of its overall strategy, the Commission is currently working with individual companies and governments on proposals for a European programme to develop and market more powerful integrated circuits (the so-called "very large scale integration") which will be "critical to the whole development of a vast range of industries," Mr. Layton said.

As with its computer policy, the Commission is promoting inter-company collaboration, but drum up support for the idea was not aiming as high as a merger, he said. But he welcomed the talks between Plessey, Thomson (France) and Philips which could lead to a merger of their microcircuit interests.

On telecommunications, Mr. Layton said "Commission proposals would be made to the Council after further discussion with the national administrations."

Since the Commission first presented its plans in October, the Council has implemented the proposal which, from 1980, would end national preference for computer hardware by the public sector. This will influence the current U.K. Government review of its pro-ICL procurement policy.

Other elements of the data processing programme include the support of collaborative projects in software, applications and technical standardisation (incompatibility is a major problem in Europe). Aid for hardware projects in the standard computer and peripherals area is also included.

Taking its cue from Japan—as with the microcircuits project—the Commission is still trying to drum up support for the idea of a Community Leasing Fund which would support the renting and leasing operations of European manufacturers. It would have an initial capital of £40m. but the scheme was not sufficiently advanced to form part of the official four-year programme.

Sweden wins role in trade arbitration

By William Dufforce

STOCKHOLM, Jan. 13.

TRADE disputes between the U.S. and the Soviet Union will in future be arbitrated in Stockholm, according to an agreement reached in New York yesterday.

The American Arbitration Association and the Soviet Chamber of Trade and Industry agreed to recommend that a clause to this effect be included in all future trade contracts between the two countries.

The Swedish Chamber of Commerce confirmed to-day that it has re-organised its arbitration procedure to cope with the new task. The chamber itself does not act as an arbitration tribunal but appoints a board for each dispute referred to it.

Kaufman in Hague talks

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. Gerald Kaufman, Minister for Aerospace in the Department of Industry, visited the Hague yesterday for talks with Dr. Lubbers, the Dutch Minister for Economic Affairs, on future collaboration on European aerospace ventures.

This visit is part of a series of meetings between Mr. Kaufman and his counterparts on the Continent, aimed at reaching a co-ordinated plan for European co-operation in the future development of civil aircraft for the 1980s.

Mr. Kaufman also took the opportunity to meet other senior Dutch Ministers and officials in his capacity as incoming president of the European Research Council. These include the Secretary for Foreign Affairs, Professor Brinkhorst, who is the outgoing president of the ERC, with whom he discussed the proposed European Nuclear

Research Project and other collaborative research ventures.

BRAZILIAN MOTOR INDUSTRY

Facing the problems of success

By DAVID WHITE IN RIO DE JANEIRO

IN THE 20 years since the Brazilian motor industry's first projects were drawn up, it has stood as a symbol both of Brazil's bid for rapid industrialisation and of its receptivity to foreign capital.

Its production, just short of the 1m. vehicle-a-year mark, now puts it among the world's top ten motor industries. Up to now the Brazilian subsidiaries and West German motor companies have enjoyed a number of seemingly invulnerable privileges—a comfortable division of the market, high growth and high reinvestable profits—and it is in these that the aura of success has been built.

Nothing could demonstrate better how well-favoured the industry has been than that it has managed to keep recession at bay for three years after the outbreak of the oil crisis. Its erstwhile spectacular growth has disappeared; 1975 was less than 3 per cent, and last year's 5 per cent; but there have never been more than temporary cutbacks.

Nevertheless the problems have been building up. Five million Brazilian car owners are now having to pay up to £136 for their gallon of petrol, and low-octane is only 25p cheaper. The Government's efforts to reduce inflation have not been helped by higher fuel prices, have meant tighter rules on the never-ending agreements through which four out of five Brazilian cars are sold.

There is little prospect of the domestic market growing at all this year, although there is still

a big demand for lorries and buses on Brazil's extensive road system. But the only hope for any overall growth in the industry—say 3 per cent—is optimistic exports.

At this stage of the game the smart little front-wheel-drive Fiat's are starting to appear on city streets, besides Volkswagens, Fords, Chevrolets and Dodges. The Fiat 147 saloon, made at a new \$650m. plant in Minas Gerais State and planned to take up 10 per cent of the market this and 15 to 20 per cent in 1978, has come in to the accompaniment of what may be the most expensive and aggressive advertising campaign Brazil has ever seen.

The impact of Fiat's entry is aggravated by the fact that \$300m. worth of auto-parts industries have also been started in Minas Gerais, splitting open Sao Paulo's virtual monopoly of the industry. The other main plant outside Sao Paulo, a lorry plant outside Sao Paulo, also produces a small number of Alfa Romeo cars in Rio de Janeiro, has also recently passed under Fiat's control.

With Fiat, Brazil now has five big car companies, and when Volvo completes a projected diesel truck plant in the southern state of Paraná it will have no fewer than seven lorry makers. Competition for the first time is really getting tough. Fiat is really getting tough. Fiat is really getting tough. Fiat is really getting tough.

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ing a version of the Polo or Range Rover. More important, the industry's margins have been sharply reduced, including Volkswagen, long the most lucrative offspring of the Wolfsburg giant. The price blamaa Government price curbs, which have brought a boom 110,000 cars last year, while the overall cost of living rose 46 per cent.

In many ways, Brazil can look on its car industry with satisfaction. It has brought a boom 110,000 cars last year, while the overall cost of living rose 46 per cent.

The cars on the roads are not just Dodges, there are an increasing number of cars like Volkswagens, Brazils and General Motors, Chevrolets, while the centre of Sao Paulo flows with the larger, sleeper-type of American design. Sao Paulo's annual motor show is an impressive display (and not only of beautiful women).

But apart from a couple of small specialist companies, the industry is under foreign control, and the middle domination extends to the parts and accessories plants. The car companies have run into labour difficulties. They have started exporting more than they have to import to make their cars. The industry had a negative effect on Brazil's trade balance. A Government study last year showed that multinational companies in Brazil were responsible for \$2bn. of imports in 1974, and next to the remaining markets—America, Africa and the East.

Retaliation by EEC shipbuilders expected

By David Ruckan

THE EEC Commission is in a head-on collision with the shipbuilders of the United Kingdom in the forum of the Commission of Economic Cooperation and Development in a week with preparing measures to protect its share in shipbuilding.

A senior Commission official has admitted to-day that the countries like West Germany were reluctant to increase subsidies in European shipbuilders.

The instrument most discussed far in Brussels was one of 30 methods of retaliation being considered by the Japanese—excluding the EEC's demand for a two-year agreement in a 50/50 share-out of user then some package of measures could be worked out. It is considered that the Japanese would be happy to accept a 50/50 share-out of user then some package of measures could be worked out.

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Tokyo car talks begin

By Douglas Ramsey

TOKYO, Jan. 13. REPRESENTATIVES of the European Community began talks to-day on 1978 car emission controls which, if enforced, could force most European car makers from then on.

Coincidentally, European other foreign cars went on play-to-day at the Japanese grounds in Tokyo at the first ever foreign car show in Tokyo.

Tokyo has already tightened the maximum allowed nitrogen oxide (NOx) content car exhaust from April 1, 1978, 0.25 grams per kilometre. The Ministry for International Trade and Industry (MITI) warned, however, that the controls, if enforced on foreign cars, would create more friction by effectively excluding foreign cars from the Japanese market.

Hence, MITI submitted memoranda to the Japanese government applying the new standards to imported cars until April 1, 1978. The MITI proposal is to be approved by Japan's environment agency, the Ministry for Environment, and Transport, and the Japanese Ministry of International Trade and Industry.

High officials from the Foreign and Transport Ministries, along with the Japanese delegation, are in Tokyo for talks at the Foreign Ministry.

Nippon wins Iran order

TOKYO, Jan. 13.

NIPPON EXPRESS has been awarded a \$110 million order from Iran for Petrochemical for the transportation and installation of petrochemical plant, and equipment for the Bandar-E Shapur petrochemical project planned by JPEC.

The order, an equality on Japanese-Iran joint venture is scheduled to start building petrochemical equipment in latter half of this year.

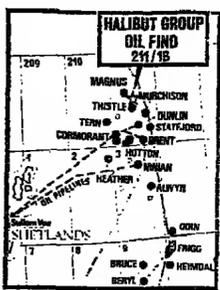
Halibut oil find
Bedford heavy
Change
BRITAIN

HOME NEWS

Halibut makes promising oil find near Thistle

BY RAY DAFTER, ENERGY CORRESPONDENT

THE HALIBUT group of offshore operators, led by the British National Oil Corporation, has made a promising oil find close to the Thistle field.



Map showing the location of the Halibut oil field near the Thistle field in the North Sea.

The Phillips exploration group has had another setback with tests near the Thistle field on block 16/17. The company said that the third well on the concession had been plugged and abandoned as a dry hole.

Bedford recaptures lead in heavy truck market

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FURTHER INDICATIONS of Lorry's recovery from a long period of relative decline merged yesterday in figures which showed Bedford, its commercial subsidiary, re-establishing market leadership in heavy trucks.

Table with columns: NEW GOODS VEHICLES REGISTERED, Car-derived vans, Others up to 21 tons, All others. Rows include Bedford, Leyland, Chrysler, Ford, etc.

and production has also been rising to keep pace with this growth. Sales last year were down in every sector of the British industry, but the domestic market is expected to be particularly buoyant.

Ladbroke fails to gain site for 'theme' park

THE LADBROKE Group, having failed in its negotiations with the Smart family for taking over Windsor Safari Park, is still looking for a site for a theme park on American lines in the U.K. involving an investment of several millions.

Sheerness car terminal scheme to go ahead

BY OUR SHIPPING CORRESPONDENT

MEDWAY PORTS Authority is to spend almost £1m. on building a deep sea car terminal at Sheerness. The decision to go ahead with the project follows the placing of a contract by Mazda.

Sheerness is looking for additional motor vehicle business and has been encouraged by recent signs of favour from both British Leyland and Ford, who used the port for exports last year.

Computer system delayed again

By Christopher Lorenz, Electronics Correspondent

CONTINUING problems with complicated computer software have again delayed the start of a swift worldwide interbank communications network.

After several delays, banks in Germany and the three Benelux countries had planned to start using the system next month, but French and British banks following in mid-February.

The Netherlands and, especially, Luxembourg will be heavy users of this equipment, as will one of the big three German banks.

The other German banks have preferred to delay their own operations, rather than put the third at a competitive disadvantage.

Shell plans chemical works for Fife coast

By Ray Dafter, Energy Correspondent

SHELL HAS submitted plans for a £120m. chemical plant in Fife. Local authorities are preparing themselves for a public inquiry into the scheme, which would include a jetty on the coast between Dalgety Bay and Aberdour.

The region has indicated that it will not add support to the planning application until the consultants' report has been received. The project would provide more than 200 jobs in the building stage and work for about 75 in the operation phase.

Hamlyn price rise rejected

HAMLIN PUBLISHING Group was one of the five companies to have price rises rejected by the Price Commission in November. The company wanted to make its non-fiction illustrated books 3.02 per cent dearer.

Welsh CBI attacks withdrawal of regional employment subsidy

BY MAX WILKINSON IN CARDIFF

THE GOVERNMENT'S decision to withdraw the regional employment premium has been attacked by the Welsh CBI, which accuses the Government of having broken faith with Welsh industry.

The Confederation said the decision was made without consultation and without any opportunity to adjust at a time when Mr. Zechary Eberley, chairman of the Welsh CBI, said yesterday: "I accuse the Government of having broken faith with Welsh industry because firms have gone ahead with investment projects with Government encouragement, counting on this money."

Representatives of the CBI from Wales met in a meeting in London on Wednesday, and the matter is to be taken up by Mr. John Methuen, the CBI secretary, with the Chancellor, Mr. Denis Healey.

The CBI aims to persuade the Government to delay withdrawal of the subsidy for a year to give industry a breathing space. The CBI is also protesting against the decision.

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NOTICE OF REDEMPTION To the Holders of Conoco Eurofinance N.V. 8% Guaranteed Debentures due February 15, 1985

Large table with columns for Debenture details, including serial numbers and amounts. Includes a section for '8% Guaranteed Debentures in the principal amount of \$1,000 bearing the prefix M'.

AFTER BRITAIN'S \$3.9bn. IMF CREDIT...

Changes in borrowing rules

BY MICHAEL BLANDEN

NEW LEGISLATION to change rules governing Britain's participation in the International Monetary Fund was published yesterday.

Under the quota changes, Britain's total quota rises only by 4.5 per cent from 2.86m. Special drawing rights to SDR2,925bn. (about \$3.9bn.).

Development is given power, with the consent of the Treasury, to release the Corporation from repaying to the Exchequer the outstanding balance of certain sums placed in a deferred liability in 1981.

Resolution order Remission of the obligation to give rise to a maximum liability of about £17m. The Bill also expands the range of international development institutions to which the Minister can make payments.

HOME NEWS

Worker directors scheme attacked

By Rhys David, Chemicals Correspondent

BOARDROOM decision-making is to begin to resemble collective bargaining if the Bullock committee recommendations on worker directors were put into effect...

The proposals could effectively franchise large numbers of employees in international companies such as ICI, as only U.K. employees would be represented on the Board...

ICI plans £50m. plant

ICI's agricultural division is vesting the possible construction of an ammonium nitrate plant costing at least £50m at Billingham, Teesside...

British Airways to seek 50% cut in holiday fares

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS said yesterday that it will press next week an airlines' meeting in Geneva for the introduction of a wide range of new, cheap Advance Purchase Excursion fares in Europe this summer.

The airline said the proposed cuts would range up to 50 per cent on the present cheapest available fares to 16 Mediterranean holiday destinations.

At the same time, the airline is planning to cut further the existing special low fares for groups of three or more persons travelling to and from Spain and Portugal.

The statement from British Airways came on the same day that the Airlines Users' Committee was urging the Civil Aviation Authority in London to implement the Committee's plan for a simplified and cheaper fares structure in Europe.

British Airways' cuts will be submitted to European fares meeting called by the International Air Transport Association on 18 Feb for the period from April 1.

It is expected that at that meeting some normal economy fares will be increased because of rising costs, but that many holiday rates will be reduced.

Giving details of its plans, British Airways said that they would carry two main conditions—the customer must stay not less than two weeks (one week only in the case of Greece), and no longer than three months, while the tickets must be bought at least one month before travel.

Examples of the cuts are: Milan, cut from £107 return to £87.50; Tunis, from £107 to £87.50; Venice from £122.50 to £72.50; Pisa, from £118 to £72.50; Rome from £140 to £72.50; Naples from £150.50 to £82.50; Corfu from £153 to £83; Salonika from £160 to £84; Athens, from £170 to £85; and Istanbul also from £170 to £83.

British Airways also said that the proposed cuts in group fares to Spain and Portugal would be: Alicante from £68.50 to £61; Valencia from £61 to £55.50; Palma, from £58.50 to £53.50; Malaga, from £72.50 to £66; Oporto from £68 to £55.50; Lisbon from £70 to £61; and Faro £76.50 to £66.

Commenting on the proposed cuts, Mr. Charles Stuart, recently appointed head of tariffs and industry affairs for British Airways (he was formerly with the European Division), said yesterday he was glad of this chance to show that British Airways was seeking to get fares down.

He said that at the Authority's public two-day hearing on European fares, the Authority's economists and those of British Airways had effectively disproved the Users' Committee claim that normal fares in Europe were over-priced.

"British air travellers now know that their airlines have succeeded in keeping down fares on scheduled services, and have complemented them with their well-balanced promotional fare offers, which are now being enlarged," he said.

"They know, too, that new ideas, both for new products and for new routes, are the result of airline marketing throughout Europe for years. It is nice to think that further seminars will arise—but with less preliminary argument."

Mr. Robin Goodison, deputy chairman of the Authority, presided over its two-day fares hearing, in place of Lord Boyd-Carpenter, who is not only chairman of the Authority but also chairman of the Users' Committee. Although Lord Boyd-Carpenter has injured his wrist, he is at his desk working.

Profits for British car dealers drop

By TERRY DODSWORTH

LEADING CAR dealers in Britain have suffered an overall decline in profitability during the last two years, according to a report from Inter-Company Comparisons.

At the same time sales have risen by only 18 per cent, in value terms, not enough to keep up with the rate of inflation.

These statistics illustrate the problems facing dealers trading in a market which has been virtually static over the two years.

On the brighter side, however, dealers appear to have recovered from the worst effects of the 1974-75 slump, and there were fewer companies making losses last year.

Among the 60 companies examined by two comparisons, only two showed sales growing at more than 20 per cent a year, and 17 were growing at a rate of less than 5 per cent—some of them showing a decrease in sales.

The figures show that overall profits in the 60 companies fell from £30m in 1974-75 to £22m in 1975-76, and then recovered to £25m last year.

The return on assets declined from 6.2 per cent to 4.7 per cent, while the two-year period saw a fall in the return on capital to 1.2 per cent.

Average pay per employee has gone up from £1,552 a year to £2,296, but numbers employed in the 60 companies have gone down from 51,000 to 48,000.

Car Dealers, ICC Business Ratios, 81, City Road, London, EC1Y 1BD, price £36.

Paper costs threaten magazines

By Our Industrial Staff

SOME MAGAZINES will go out of business if rises in the price of imported paper are forced through, according to British periodical publishers.

Mr. David Bonnell, director-general of the Periodical Publishers' Association, said yesterday that costs were getting out of hand.

"Unless there is a real appreciation that most publishers cannot pay more for their basic raw material—paper—I am afraid some magazines will be priced out of the market."

"There has been considerable comment about likely increases in newspaper prices, but it looks as though magazine publishers will be subjected to even more stringent increases."

"Most magazine publishers are entirely dependent upon imported papers, for home production cannot meet demand."

In this respect, it is to be regretted that the Government has been shortsighted enough not to increase duty-free quotas for 1977, although under EEC agreement it has the right to do so."

Packaging costs are showing marked increase

Financial Times Reporter

A MARKED increase in the rate at which packaging costs are going up is indicated by figures showing that prices rose by 2.09 per cent in November.

This means that the Index compiled by Eurofood and Stiebert/Head rose by 13.28 per cent, to the first 11 months of last year. In the three months to November it rose at an annual rate of 27.4 per cent.

Plastics showed the biggest increase over the year with prices up an average of 19.34 per cent, and glass materials have risen by 17.9 per cent. Paper and board packaging prices went up 13.11 per cent, and metal materials by 7.98 per cent.

Metal prices have increased by 7.36 per cent, but the August timetable rise has not yet worked its way through to the index as the container manufacturers held the rise for several months. It will show in the December figures.

The report says: "If the building works section is to function to the benefit of the council in undertaking capital works, it must be able to match the better performers in the private contracting field, not only as to tender stage, but also in terms of cost, quality and punctuality."

MP in talks with Ministers to save factory

AN MP led a deputation to see Ministers last night to discuss the threatened closure of the Moderns blanket company, Sowerby, Yorkshire, and the possible redundancy of its 380 employees.

Mr. Max Madden, Labour MP for Sowerby, said that if the factory closed it would push up the unemployment rate to nearly 20 per cent in the area.

The deputation of workers from the factory and officials of the National Union of Dyers, Bleachers and Textile Workers met Mr. Albert Booth, Employment Secretary, Mr. Alan Williams, Minister for Industry, and Mr. Michael Meacher, Under-Secretary, Trade.

Mr. Madden said: "This firm was acquired in late November by a firm called Sons Consultants and within days they declared they were to close it and make all its employees redundant."

"They have since had discussions with officials of the Department of Industry at which they have talked about possible re-equipment and the re-employment of a much smaller work force."

The decision came from the district auditor in the Yorkshire town looking into massive over-spending by the building department of the council.

The auditor's report showed excessive spending of more than £250,000 on several schemes. Barnsley councillors have been told by the auditor that no more work should be taken on by the building department until a detailed review is carried out.

The report says: "If the building works section is to function to the benefit of the council in undertaking capital works, it must be able to match the better performers in the private contracting field, not only as to tender stage, but also in terms of cost, quality and punctuality."

'Excessive spending' by council

By OUR BARNSELY CORRESPONDENT

BARNSELY COUNCIL'S building department was officially criticised yesterday for not keeping abreast with its more efficient private enterprise counterparts.

The decision came from the district auditor in the Yorkshire town looking into massive over-spending by the building department of the council.

The auditor's report showed excessive spending of more than £250,000 on several schemes. Barnsley councillors have been told by the auditor that no more work should be taken on by the building department until a detailed review is carried out.

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BRITISH LEYLAND'S BUS MONOPOLY CHALLENGED Competitor emerges in Midlands

By PETER CARTWRIGHT

WEST MIDLANDS passenger transport executives are to start a local challenge to Leyland's double-decker monopoly which will bring production of complete buses to the region and create up to an extra 1,500 jobs over the next few years.

Although the Executive, the largest provincial bus authority, is continuing to buy Leyland buses, it has been discredited for a long time over its policy of buying exclusively from Leyland.

We also feel there has been disproportionate increase in price of Leyland buses because of the monopoly position.

Sir Stan Yapp, the executive chairman, said: "For this other reason we are supporting the competition."

The competition comes from Leyland's subsidiary O-Cammell Weymann, which is a railway and tube lorry and bodies single-deck chassis.

The past two or three years it has spent £1m on engineering techniques at its plant in Birmingham to make its own chassis for double-deckers as well as single-deckers.

It has linked with two other firms and concerns, Rockwell

Thompson, the American based supplier of chassis members, and GKN's automatic gearbox division, which makes and markets the Fiat-developed SRM unit under licence.

Engines are being supplied chiefly by Gardner, whose technical director, Mr. Paul Gardner, yesterday undertook that production would be able to match Leyland's demand.

Metro-Cammell, Weymann's entry into complete bus building helps to restore a better balance to Midlands vehicle production.

When Leyland closed the Guy bus and lorry plant at Wolverhampton and transferred Daimler Fleetline bus production from Coventry to Lancashire, it removed the last remnants of heavy vehicle production from the Midlands, leaving only cars and light van derivatives.

The West Midlands Executive is starting the project with an initial order for five Metrobus vehicles and will follow with a further order for 50 if they come through trials successfully.

The Metrobus could become the Executive's main choice for the 1980s. Metro-Cammell plans to move into quantity production by the end of the year, and is aiming to run out 600 vehicles a year in the first stage of its programme.

Mr. Tony Sansome, chairman,

disclosed an all-out capacity of 1,500 buses annually, some of which would be single-decker variants for export to South and Central America, Africa and the Middle and Far East, markets in which the company is already known.

If this rate of production is achieved over the next few years, another 1,500 jobs will be created. Total labour force on road and rail vehicles is 1,700.

The move into chassis building is designed to break Leyland's virtual monopoly, and follows Metro-Cammell's earlier single-decker challenge, the Metropolitan-Scania with a Leyland chassis and Swedish built engine—which now, because of devaluation, is expensive.

Volvo, another Swedish vehicle and engine builder, has also set up a joint venture in Scotland, where it makes the Ailsa bus. There are 53 of those in service in the Midlands.

More recently, Foden announced its entry into this market and Dennis is extending its range into double and single deckers.

If Metro-Cammell can sell 500 double-deckers in the U.K. over a year it would represent about a quarter of the market. It would clearly loosen Leyland's hold.

Mr. Fred Lloyd, chief executive, said that it was the executive's policy to test in service as many new types of bus as possible. It had been waiting some time for Leyland's new B15, now being assessed by London Transport.

The Executive has around 2,600 buses, mainly Daimler Fleetlines powered by Gardner, and is awaiting delivery of 371 others, bodied by Metro-Cammell or Leyland subsidiaries.

These have been promised by next January, and there are also 30 Leyland National single deckers for delivery by the end of this summer. In addition a further order for 165 buses is on the stocks.

Mr. Fred Lloyd, chief executive, said that it was the executive's policy to test in service as many new types of bus as possible. It had been waiting some time for Leyland's new B15, now being assessed by London Transport.

Metro-Cammell Weymann is offering a choice of package from the most advanced engineering and design concepts. This enables it to tailor orders to customer needs in respect of engines, gearboxes, simplified maintenance and so on and to embody the best compromise between the sometimes conflicting requirements of passenger comfort, operating costs and ease of driving.

Of the two automatic gearboxes on offer the Executive is likely to settle for the alternative West German Voith type because it is claimed to have a more effective retarder device.

Technical Page

EDITED BY ARTHUR BERNETT AND TED SCHOETERS

PROCESSES

Thin aluminium coatings

LIKE OTHERS in the aircraft and construction industries, McDonnell Douglas Corporation in the U.S. has developed anodising processes which could be of great interest to industries far removed from the construction of aeroplanes.

In the U.S., the company has started to draw attention to its anodising process for aluminium parts with thin aluminium coatings.

The equipment can provide anodising rates of one second per inch of thickness in normal operation, and all reports including library search results, are provided.

Using a search technique known as reverse library search, the system can establish the presence of a compound even if the spectrum is grossly contaminated either by background or other components.

A range of software packages in Fortran IV are available, all of which can be easily modified or extended by the user. Optional facilities include a visual display unit, electrostatic printer/plotter, floppy disc and tape stores.

More from AEL, Barrow Dock Road, Urston, Manchester M31 2LD (061-865 4966).

INSTRUMENTS

Infrared senses gas levels

EQUIPPED with improved infrared photometry is a new gas analyser from Leybold-Heraeus which should be of interest to motor engineers, environmental chemists, factory inspectors and intensive care units.

Called Bios 1, it is a non-dispersive IR photometer and can measure two types of gas simultaneously and independently. Provided neither is elemental, it can also measure organic substances such as solvent vapours and fluorocarbons.

Concentrations are measured quickly, selectively and continuously, in both parts per million and volume percentage ranges.

Long-term stability is achieved in the instrument by electronic self-regulation. No calibration gases are usually needed for re-adjusting sensitivity and the indicated value is not influenced by outside vibration. An optional switching circuit will exercise alarms.

Bios 1 varies in price from about £1,700 to £4,500, depending on the number and complexity of the components to be measured. More from ITI, Greenwich High Road, London, SE18 6JA (01-858 1127).

More from AEL, Barrow Dock Road, Urston, Manchester M31 2LD (061-865 4966).

SAFETY

Protects the compressor

EQUIPMENT WHICH has been specifically designed for the protection of compressors, but which could be applied to almost any plant subject to operating defects, has been developed by Joan Davis and Son (Derby), Alfreton Road, Derby DE2 4AB (0532 61671).

The unit can monitor up to eight resistive transducers and up to four contact transducers, one of which is overridden for variable period during start-up. Any parameter can be read that can be fed into the unit as a variable resistance or contact—on compressors, for example, these could include oil pressure and temperature, water flow, water temperature, and air temperature and pressure.

On detection of a failure, the equipment sounds a warning, shuts down the plant, and one of 12 signal lamps indicates the reason for the stoppage.

METALWORKING

Hydraulic furnace charger

WITH A capacity of 2 tonnes, a mobile machine for charging alloying additions to the melt of electric arc furnaces has been designed by Taylor Machines. The units are built by Greenhal, Ambley Road, Leeds LS12 2TP (0532 42333).

Powered by a diesel engine, all movements are hydraulically operated. Including front wheel drive, rear wheel steering and charging, box locking, turning and hoisting. The hydraulic system uses water/glycol fire resistant fluid instead of the usual mineral oil.

The unit has been designed to protect the operator from glare and heat, and against the effects of furnace blow-back always a possibility with charging. A heatshield with a small viewing window is hydraulically raised when the charger is in the furnace door. Cab front and sides

will last over 500 hours in salt spray before showing any signs of breakdown. The coating remains stable up to 925°F and will not separate from its substrate even after bend tests have been carried out to eventual fracture of the component. No special pre-treatments are required.

The Evadizer ion vapour deposition process is said to differ significantly from the more familiar vapour metalising or physical vapour deposition. During plating, the workpiece is held at high negative potential with respect to the vapour source. It thus becomes the cathode of a high voltage circuit.

By maintaining proper inert gas pressure in the vacuum chamber, a glow discharge is established about the workpiece. The action of the evaporated plating material is ionized in this region and accelerates toward

the part, producing a dense, uniform, adhesive coating. This system can coat up to 8,000 fasteners per hour. McDonnell Douglas does not want to go into the coating business itself but rather seeks to sell the equipment to companies offering finishing services. Cost of the plant in the U.S. is around \$200,000, this including engineering support and assistance in setting up the equipment and getting it into operation.

Two plants are now being operated in the U.S. by McDonnell Douglas. One is four feet in diameter and used for small parts and the other is six feet in diameter and is used for treating larger components. Details of this equipment can be obtained from McDonnell Douglas at Scott House, 86 Goldsworth Road, Woking, Surrey GU24 1LQ (048 62 75111).

shrinker (DS50S), which is based on the Nova 3/12 computer with a 32K MOS store and a 10 Megabyte dual-disc drive. Command entry is simple and output of results is via a terminal or a teletypewriter.

The instrument also provides interim reports to give the user condensed facts on the nature of the sample under analysis while the scans are being carried out.

Scanning rates of one second per inch of thickness in normal operation, and all reports including library search results, are provided.

Using a search technique known as reverse library search, the system can establish the presence of a compound even if the spectrum is grossly contaminated either by background or other components.

A range of software packages in Fortran IV are available, all of which can be easily modified or extended by the user. Optional facilities include a visual display unit, electrostatic printer/plotter, floppy disc and tape stores.

More from AEL, Barrow Dock Road, Urston, Manchester M31 2LD (061-865 4966).

Easily made sections

A CONSIDERABLE degree of convenience is offered to the microscopist in a new ultramicrotome, the Ultratome IV, put on the market by LKB Instruments, 222, Addison Road, Selsdon, South Crofton, Surrey GU24 1LQ (0487 8822).

It will easily prepare large area thick epoxy sections for optical microscopy, accurate semi-thin sections for scanning transmission or high voltage microscopy, or perfect serial ultrathin sections for transmission electron microscopes.

Push buttons allow knife alignment and approach to the specimen to be conducted from a control console far away from the microtome itself. Cutting is gravity powered ensuring consistent and reproducible cutting speeds regardless of

which also act as stops for local distribution, and with a warning spread throughout the U.K. approached NPL for advice on optimising the firm's transport system. The company wanted to know how many vehicles were needed, where they should be stationed, which routes they should operate on, and whether any roads should be directed via intermediate stops.

Although the problem had proved too complex for previously available software to solve economically, it was answered elegantly using the new method.

With the program, NPL was able to produce a different pattern of routes and back-hauling that will enable the transport manager to reduce the number of vehicles needed by 25 per cent. The flexibility of the vehicle routing method makes it a simple matter to tailor the program to individual needs.

Versions can be purchased or run at NPL for the customer. Further information from E. R. Boektema, Division of Numerical Analysis and Computing, NPL, Teddington, Middlesex, TW11 0LW (01-877 3222).

THE BBC HAS ALREADY BROADCASTED ABOUT THIS NEW MACHINE!

"BYE BYE RAT." THE ULTRASONIC RAT STAMPERER A REVOLUTIONARY METHOD TO COMBAT THE EVER INCREASING PROBLEM OF RATS AND MICE IN WAREHOUSES, HOSPITALS, RESTAURANTS, ETC.

PLEASE CONTACT AGENT IN UK T. TAZAKI AND CO., 139A NEW BOND ST., LONDON W.1. Tel: 492-0671. Telex: 24993

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TRANSPORT

Vehicle routing costs cut

TRANSPORT MANAGERS can now obtain optimal schedules for their long-distance vehicle fleets with a technique developed by the National Physical Laboratory.

The method of scheduling is a specialised application of the basic research in mathematical programming at NPL. The power of the new method became apparent when it was applied to freight routing.

A company with five factories,

GK TorBar Now in 50mm dia. DKN (South Wales) Ltd Cardiff Works, Cardiff Tel: 0222-330333 Telex: 49316

CONSTRUCTION

Measures twist of structures

BUILDING Services Engineering Society is to demonstrate LEOIMA Laser Electro-Optic Measurement and Alignment at a lecture to be given on March 3 at 5.30 p.m. in the lecture theatre of the Institution of Civil Engineers.

Many in the construction industry are aware of the possibilities of the alignment laser and some will know of the laser interferometer.

A recent introduction to the field of laser measurement is the BSES instrument, differing from any previous equipment in that it depends upon a method for measuring the azimuth of the plane of polarisation of the beam from a laser. By this method twist, deviation and displacement can be easily and accurately measured over a distance of 100 metres.

LEOIMA has four basic units: a laser, an optical module, an electronic unit, each of which are light in weight and compact in size.

Typical applications will be the measurement of twisting of bridges, flexing of structures and tall buildings, the study of soil mechanics for airways, and the measurement of twist in any structures. LEOIMA may be applied to resonances and damping factors of bridges, buildings and structures.

A particular advantage is that only the optical module need be attached to the object being measured. The laser and the detector can be completely remote allowing the optical module to be used in hostile environments.

This lecture and demonstration of LEOIMA will be of particular interest to surveyors, structural engineers and construction engineers. There will be a special opportunity for discussions of individual applications.

Those attending will be encouraged to give prior written notice of questions on application, which are expected to be of wide interest to the construction industry.

Admittance will be by ticket and tickets are available only to members of BSES Applications for tickets and/or membership of BSES should be sent to: The Secretary, Building Services Engineering Society, Institution of Civil Engineers, 17, Great George Street, London SW1P 3AA. 01-839 3611.

AUTOMATION

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RAPID amendment of any operation sequence taught to a Unimate industrial robot is easily accomplished with a new programme editor introduced by Unimation.

Suitable for either the Series 2000 or 4000 Unimate industrial robot, the editor quickly makes minor position changes in one or more taught and memorised positions. Those changes are made while the robot works, without any interruption of its production operations.

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Unimation, European Sales and Services, Unit 14, Southwood Park, Telford, Shropshire, TF11 0LW (01-877 3222).

THE BBC HAS ALREADY BROADCASTED ABOUT THIS NEW MACHINE! "BYE BYE RAT." THE ULTRASONIC RAT STAMPERER A REVOLUTIONARY METHOD TO COMBAT THE EVER INCREASING PROBLEM OF RATS AND MICE IN WAREHOUSES, HOSPITALS, RESTAURANTS, ETC. PLEASE CONTACT AGENT IN UK T. TAZAKI AND CO., 139A NEW BOND ST., LONDON W.1. Tel: 492-0671. Telex: 24993

The Property Market

BY QUENTIN GUIRDHAM

Why planning restrictions may be eased

On Wednesday the Government published a summary of three inner city area studies, carried out since 1972 by different firms of consultants in Liverpool, Birmingham and London. Together with associated action projects in the areas concerned, these reports represent the fruit of £2m. of Department of Environment expenditure. Introducing them, Reg Freeson, Minister for Housing and Construction, said that the full research studies, when published soon, must represent part of the basis for action and not be reduced to the status of reference books.

You would not get better than odds-on that they will become precisely that, useful data for those who will receive mortgages to produce more studies. But, despite the present shortage of public money to be directed to any new cause such as the inner cities, and despite the host of truisms the reports contain — such as that families tend to like living in nice suburbs rather than nasty slums, so that skilled workers move out

of central areas, leaving the tenants in the unskilled and the blacks, 100% which do not need £2m. to discover but have to be reported — these studies will shape positive action, and action of particular significance to the property industry.

The reasons for thinking this are twofold. Peter Shore, Environment Secretary, has blithely hissed to the stars of inner city regeneration to the extent, some might argue, that he spent time last year making speeches on the subject which could have been better employed in finalising the long overdue Housing Review. As a junior, in Mr. Freeson, he has that perhaps rare example of a politician with a portfolio who both knows about and is committed to the decisions to be taken which most affect the property industry are not ones which demand heavy public expenditure.

Three areas may be involved: competition for industrial developers from national or local government agencies; changes in planning controls, both in the national sense of Industrial Development Certificate and Office Development Permit controls, and the local one of zoning regulations; and valuations of (mainly vacant) inner city sites.

The background to decisions on these will include what appear to be two shifts in present government thinking. One is that encouraging employment back into the cities, or at least trying to arrest the decline in manufacturing industry there, is considered to be as important a clue to saving these areas as housing or education initiatives. This raises a cart or horse

question about the oddity of high unemployment in areas which manufacturers are quitting because of a shortage of labour. Would skilled workers return if they were convinced the right housing were available, or if they were convinced the jobs would survive in such areas or if their employers were convinced training schemes would improve labour standards?

The thinking appears to be that, where adequate industrial land is available in the inner cities, a two-pronged attack is necessary. Encouraging industry to stay will prove the cheaper of the progs, even if it includes the Birmingham study's suggestion of a subsidy on all new jobs in the manufacturing sector within inner cities. (The suggestion is that this would be paid in the job's first year at a declared rate and over the next six to nine at a tapering rate. The declared rate for new jobs would be graduated annually by central government in reaction to the unemployment level nationally and the regional level.)

Lack of co-ordination

The other shift to approach is contained in Mr. Freeson's phrase that future initiatives on the inner cities must be part of the main programmes of government expenditure. No longer a subject for odd projects and marginal grants. This encompasses the thought that previous initiatives have lacked a joint approach. The Liverpool study, the most of central government's role, notes that "until very recently, depart-

ments have pursued apparently independent policies. Some have operated in the inner areas through special projects (Department of Education and Science, Home Office); through social policies (Department of Health and Social Security); or through co-ocero with housing and local government finance (Department of the Environment). But for two key departments (Industry and Employment) the inner area perspective has been missing."

There is already a Special Cabinet Committee set up by the Prime Minister under Mr. Shore to try to ensure inter-departmental co-ordination. But the implication must be that there will also be a greater central government direction to inner urban policy. The extent of central government intervention in local government policies is one of the main areas of doubt, and the Liverpool, Birmingham and London studies all have suggestions to make. Some of them are pretty coolheaded, as in the Birmingham suggestion of a local "industrial task force" to pursue possible employers and arrange advance factories and which would be autonomous under the direction of either the Department of Industry, the county or district authorities as appropriate, but which would anyway hand over "on-going programmes at the first opportunity" to full metropolitan county or district authority control.

However the balance between local and national government control is swung, it is clear that Mr. Callaghan's team has decided that the inner cities are, however rough a problem, worth a little more than a political slogan. Here, among the roughly 4m. inhabitants of the inner areas of London, Glasgow, Tyne-Wear, West Yorkshire, Greater Manchester, Merseyside and West Midlands (a fourteenth of the country's population but an eighth of its unskilled workers), a fifth of its families living in some form of housing stress and

a third of its New Commonwealth immigrants) can be hoaxed up much of the genuine problem of poverty and deprivation in Britain. These are the vanguard poverty traps where the night-mare of the American inner cities looms.

To try, for the first time, to isolate the problem and find a package solution appears, though the areas are all solid Labour boroughs anyway, a worthy political cause. These are the implications for the property industry.

First, the possible competition to industrial developers from local or national government agencies. All three studies advocate advance factory building in some form, and while it is not always spelled out, the assumption seems to be that such factories have to be built from public funds.

Developers might be tempted

Possibly this assumption does not take in recent factors in the property market. While private sector developers will not want to be pushed into investing in industrial premises where there is little evidence of demand, the funding possibilities open to developers to anything like suitable locations have improved considerably in the last year. Pension funds and insurance companies have been pre-funding speculative industrial schemes. The viability sums on hatched office blocks. Building companies with cash balances are keen to go into partnership with developers on industrial schemes. The viability sums on projected schemes can take comfort from the fact that at least some of the institutions have gone along with the idea that the traditional yield gap between industrial and shops or offices should be narrowed.

In short the public authorities may underestimate the extent to which industrial de-

velopers, among which are included a large proportion of still healthy private or public property companies, might be willing to invest in new urban schemes and before more money is taken from the taxpayer or ratepayer for advance factories the private sector, with particular emphasis on socially-conscious pension funds, should be properly tested.

There is one specific section of the industrial market where private resources should be utilised along with public funds. If, as is again suggested in the studies, grants might be given to rehabilitate inner city industrial premises then this would be an area where there is expertise available in the private sector and apart from the Industrial Estate Corporations, little in the public.

Where private developers may feel they need more incentives, over and above the comparatively generous tax allowances they already enjoy, to back inner city projects, then there is possibly some trade-off to be done with the second main area of present debate, planning controls.

The published studies advocate the relaxing of industrial zoning and a rethink of conforming user regulations. Many of the conforming user regulations are seen as planners' luxuries, drawn up in an age when expanding industry could be pushed around at will, and some of them have actually become a nonsense due to changed processes in certain industries. There seems certain to develop a more permissive attitude, based on the criterion of whether industry makes a good neighbour to residential areas rather than whether it is strictly conforming user there.

On the broader matters of locational direction, the London study remains unconvinced that IDC relaxations have done much to help. "IDCs act symbolically as a deterrent to investment and should be removed from inner London," it states. "We also

propose some relaxation on Office Development Permits in suitable areas."

The campaign for abolishing IDCs has gained weight recently and within the stress areas it appears that certificate policy is being interpreted rather than to being interpreted rather than to strict regional policy. There seems little likelihood of complete abolition but the inner cities, in a move which would complete clearance from their influence while also, and this would be a vital carrot to developers, being allowed to offer some incentives to attract industry.

What can be added to any such incentives is the present trend, in part caused by higher transport costs, to take work to the workers rather than to plant factories on virgin sites out of town. It is not a highly developed trend and it reverses the experience of the last half century. Also, in the central city areas there often is not the room, despite clearance schemes and the re-utilisation of docks or railway lands, for major industry. George Shankland, one of the authors of the London study, makes this point about the Lambeth area, saying that lack of space was one reason why industry moved out to the Great West Road in the 1930s (he might add that many of the major users have since moved on again, leaving a depressing line of vacant factories).

Houses before jobs

There are two basic points about re-attracting industry to the city centres which are beyond any purely property questions. Both are made clearly in the Birmingham study. One is that in one can hope to bring back the industries which have already gone. Many have disappeared altogether, rather than moved, and they failed because they have not kept pace with industrial change. What to be attracted is new, not old, petitive industry, and this skilled workers, and the most of the inner cities. The second point is the homes count down, which repeating in the clear language of the Birmingham study is the obsolescence and deterioration of the housing stock, more than employment conditions — that have led to a downward spiral in the areas.

The final area which the studies are currently studying is the question of valuations. Mr. Freeson recently told the Town and Country Planning Association annual conference that "the prices given by valuers for the many potential industrial and commercial sites held by local authorities are quite unrepresentative to me. They are doubtfully obstacles to economic redevelopment of particular small firms. The consequence of that land which would bring life to declining communities is idle and unremunerative many years — and at the time remaining very costly at present having the same question examined."

If he does find a satisfactory answer it will be a valuable setting a value on such empty land is admitted to be of the highest of value. They can only help a Minister that they are studying the matter. But Mr. Freeson has said that he will be interested parties invited to contribute their ideas over the next two months.

Inner Area Studies: Liverpool, Birmingham and London. Series of consultants reports, HMSO £1.50.

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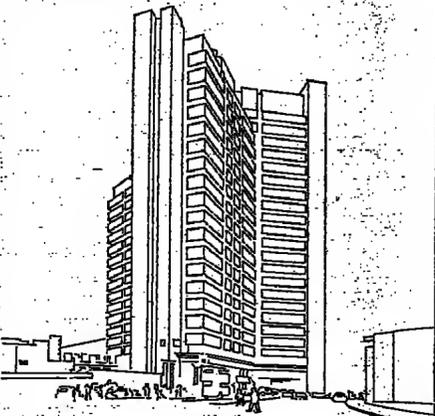
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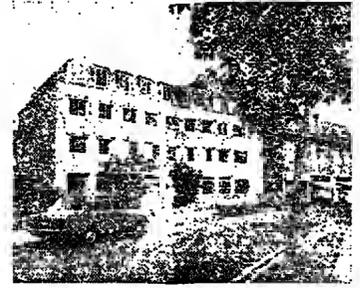


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The Management Page

INFLATION ACCOUNTING

Why Morpeth should be simplified quickly

By P. J. CUSTIS

DOUGLAS MORPETH'S machinery is to estimate the current cost of modern equipment assets, which assumes an ability to predict the future in detail. It is possible to make a further alteration to balance sheet values in addition to that for the effects of inflation because of the possible replacement of existing plant by more modern plant at some future date? Are the auditors to "re-view" the predictions made? Most industrial companies have sophisticated capital project appraisal procedures but how often do they come out exactly right?—yet these are the techniques which would be used to arrive at balance sheet values and depreciation charges in the profit and loss account.

Indices

In order to promote consistency and avoid manipulation the standard should make use of authorised external price indices compulsory for all valuations of plant and machinery. Provided authorised indices are used the extent of unavoidable approximations will be within bounds. If companies are free to choose from a range of methods of estimating value the extent of the approximations will have no limit.

In the case of stocks, the proposals correctly allow for those value changes which result from stockholding as a normal business activity, to be included in operating profits. Where there is no mixture of activities for instance where a company is concerned only in commodity dealing or in long-term construction contracts, the distinction between operating profits and revaluation surpluses is clear. In other cases, differences of opinion can properly exist, and there will be great scope for manipulation.

The problems of CCA will be difficult enough for individual companies, but for groups of companies, and particularly those with overseas subsidiaries and associated

companies, the complexities will be compounded. Overseas managements will have to be convinced of the purpose of the changes, and so will local auditors. In many countries there will be an insufficient range of indices available for revaluations.

The draft standard recognises that there are a number of areas where modification in the light of experience will almost certainly be required. A few aspects of the mechanics of current cost accounting have been mentioned above and there are many others which need discussion. What is more important is whether CCA will meet the requirements of managers and other users of accounts and this will not be apparent until some years' practical experience has been gained. In these circumstances it is wise to introduce the standard into the books of account as a complete package and without adequate trial? Is it wise to abandon the firm base which, in spite of their shortcomings, historic cost accounts do provide?

On the other hand, a workable method of arriving at inflation-adjusted profits must be introduced quickly. The accounting profession has already spent too many years debating technicalities while the dangers of over-distribution and over-taxation of profits have multiplied.

The essential adjustments for inflation could be brought into accounts and shown to normal derived from verified historic costs. This could be achieved by limiting initial requirements to a profit and loss account which incorporated index-adjusted depreciation charges and costs of sales adjusted for stock appreciation. This would provide a suitable indication of the earning power of a business and of profit available for distribution. (Companies alive to the situation will already be producing internal accounts on these or similar lines.) Its calculation and verification will be relatively easy and the avoidance of many of the proposed subjective values would



Mr. P. J. Custis, who is director of finance in Guest, Keen and Nettlefolds

considerably ease the problems of auditors and improve the acceptability of current cost accounts as a basis for taxation.

If an earnings statement on the lines suggested was introduced balance sheet values would remain at historic costs. This would meet the requirements of the EEC Fourth Directive, which is expected to continue to stipulate that historic cost figures must be published into the indefinite future.

Legal implications also must be thoroughly researched and this is of especial importance to debenture trustees and international groups in their relations with foreign bankers. Equally important to international groups are the efforts which must be made to co-ordinate the methods of inflation accounting under consideration in the U.S., Australasia and elsewhere.

Structure

Unlike the accounting standards so far issued, the standard which is finally agreed for inflation accounting will change the entire structure of accounting and financial reporting as at present understood.

The interests of the whole business community, not only those of accountants, are affected. Unless the changes are made at a pace which enables all in business life to understand both the methods being applied and their purpose, inflation accounting will be rejected as an academic accountant's dream with little relevance to business and the real world.

Michael Blanden reports how Barclays Bank is developing its instalment credit business

Mercantile's re-birth

WHEN Barclays Bank decided in 1975 to buy full control of Mercantile Credit, the move represented a major change for a bank which, unlike its main competitors, had previously had only indirect interests in the instalment credit business. In the 15 months since October 1975 when the deal went through, the two companies have by and large completed the complex exercise of integrating the new subsidiary into the Barclays group.

The result is that for the first time, Barclays has its own wholly-owned instalment credit capacity and it has been able to achieve a degree of rationalisation between overlapping services. But at the same time it plans to keep Mercantile as a semi-autonomous unit within the group, meeting different demands and satisfying a different market from that of the bank.

There is an urgent need for a start to be made in inflation accounting. The approach which is advocated in this article requires only a modification to EECs in order that historic cost accounts are retained within inflation accounts. The facts and circumstances contained in historic accounts must be preserved as the foundation upon which inflation accounts are constructed. The other essential change is concerned with the phasing rather than the nature of the procedures to be adopted. The preamble to the exposure draft states that phasing by size of company has been chosen in preference to phasing by item in accounts. All businesses, irrespective of size, should change to inflation accounting simultaneously. This is a practical proposition if the initial change is restricted to an adjustment of the profit and loss account derived from historic cost accounts. Also it would avoid the delay on the part of the Inland Revenue in changing taxation to an inflation accounting basis which would be involved if phasing were by size of company over several years. It is not too late to move to phasing in CCA item by item.

In this way the accounting profession would not only develop the more complex aspects of inflation accounting as experience of the initial stage is gained, but would also avoid the confusion and loss of credibility to users of accounts which the proposals as drafted would seem to invite.

It is felt that for the foreseeable future there are considerable advantages in Mercantile retaining the separate approach to the market through its own local branches and for example, its connections in the motor trade. However, it is clearly necessary for Mercantile's services to be treated as part of the whole group and relationships between the new subsidiary and the group have thus been established at a number of levels. Early on, Barclays established representation on the Mercantile Board including the presence of Mr. John Guntton, a general manager and director of Barclays Bank U.K. Management, as non-executive deputy chairman. Below Board level, Barclays has appointed coordinators from a number of its own corporate departments and established channels of communication between the various consumer and industrial services now provided.

Direct liaison has taken place — without any redundancies, Barclays insists — in two main areas. In industrial finance, the leasing, factoring and discounting operations of the two companies have been brought together under Mercantile management in a new company which formerly varied operations last week under the name of Barclays Mercantile Industrial Finance. This takes in the previous activities in this area of Mercantile, together with those which had been carried out in Barclays Export and Finance Company (BEAPCO), launched by Barclays in 1972 to attack precisely the market in which Mercantile was already well established.

Similarly, in the consumer credit field, in 1973 Barclays had launched an effort to tap the finance home market through its Masterplan operation. This included building on the Barclaycard network of merchant members to develop point-of-sale or third party lending, an area where the finance houses with their connections in the trade have long had a

Fringe banks

The acquisition had an immediate pay-off for Mercantile in one sense at least. It took place at a time when the reverberations of the fringe bank crisis were having a serious effect on many finance houses. Mercantile itself had needed to call on the help of the banking support group headed by the Bank of England in the June of rather more than £100m. By becoming part of a clearing bank group the instalment credit company was able to dispense with such assistance and, with its future assured, develop without the anxiety over the cost and availability of funds which afflicted other independent companies. Whereas previously the company depended on money market funds and credit lines now its money room has gone, acceptance credits have been run off and funds are provided by Barclays.

While there has been some integration of certain types of activity, the group argues that to a large extent the expertise, the market and the outlets of the finance house are different from those of the bank. There-

very strong position. Last year it was decided to transfer Masterplan's third party business to Mercantile. The change involved some 1,100 dealer vehicles over 2000 point-of-sale outlets and in order to carry it through the majority of Masterplan's field force has been transferred to Mercantile.

The consumer finance arm, however, also illustrates the degree to which the Barclays group has retained an element of competition among its own members. Masterplan will offer direct personal loans to Barclaycard holders; Mercantile is also active in providing personal loans, and so on a comparable scale is the great bank itself. The apparent lack of overlap is justified by the contention that a combination of the three organisations does not overlap but the spread is over different markets.

While the main merger involving Mercantile has been completed, the bank recognises that there is a great deal still to be done in carrying the process through. One detailed problem which has arisen concerns the terms and conditions of service in Mercantile which so far has not been possible to bring into line with those offered by the bank because of wage control.

Education

In the long-term, there will also be a continuing process of education both of customer and of members of the group itself. Barclays as a whole can provide a full range of lending facilities from relatively cheap overdrafts to costly hire purchase finance. It has some responsibility for ensuring that customers of all sections of the group are directed to the most appropriate form of finance for their particular needs—not always easy when semi-independent subsidiaries operate to some extent in competition. And it has to ensure that branch managers and the field force are fully aware of what is available in the group as a whole and that effective liaison is maintained.

BOOK REVIEW

The paradox of discount houses

By Barry Riley

Discount Houses in London, G. A. Fletcher, Macmillan, £6.00.

London Money Market, by S. G. Wilson, Société Universitaire Européenne, des Recherches Financières, £2.00 available from Miss M. C. Nienkemper, executive secretary, Société Universitaire Européenne de Recherches Financières, Hogeschoulin 223, Tilburg, The Netherlands.

THE IS a story that on July 22, 1973, the discount houses were summoned to Bank of England to be told that the Bank was to raise interest rates by 1 per cent, the minimum lending rate (on Friday). Representatives of the houses were seen in the queue by one, and those in the queue were alarmed at the early entrants who later transpired to sell off. It is said that the officials tried to compensate the later houses by letting a little more fully into the queue.

The date graphically illustrates the paradox of the discount houses. They are obedient to the will of the Bank of England and filling their specialist role in making money. But they are also profit-motivated quoted companies, often engaging in speculative activity.

Fletcher's largely historical work on the London discount market describes how the market grew from tiny beginnings in the early 19th century to a close-knit industry with those Bank-inspired money lenders Wilson covers only more recent and eventual changes since the introduction of credit control through the Bank's 1971. This firmly established

the discount market at the centre of the banking system by making money at call a reserve asset for the banks, a move which (along with modern communications) has led to the virtual disappearance of the un-battered discount broker on his rounds of the banks, for deposits tend to be much less mobile. But the new arrangements also led to higher risks which the houses, like the banks, took a long time to wake up to.

There was a rumour that by the summer of 1973 two, and perhaps three, of the houses were technically insolvent. Unfortunately neither book tells whether this is so, and indeed there is no real insight into the Bank's attitude to the financial health of the market. But there are intriguing descriptions of the two key events. In June 1972 the houses were heavy bearers of gilts in anticipation that a reserve asset squeeze on the banks would make them forced sellers; but the Bank of England bailed out the banks and left the discount market facing big losses. And in July, 1973, MLR rose 4 per cent, to two weeks at a time when the Bank was clumsily introducing a new regulatory system for the discount market, and further large losses were sustained.

Since then the discount market has been much more careful about dabbling in gilts, and the Bank of England has developed ways of signalling its intentions.

But the exact means by which recent MLR rises have been contrived on Friday mornings remain obscure. The discount market remains an area of almost obsessive secrecy—as with those Bank-inspired money lenders Wilson covers only more recent and eventual changes since the introduction of credit control through the Bank's 1971. This firmly established

Swift reactions to smelter fire spur permanent changes

By Ray Perman

A FIRE in September at British Aluminium Smelter at Invergordon, which represents more than three-quarters of the company's output, cut production by a half. The accident came at a bad time when demand had recovered from the depressed levels of 1975. But Invergordon is now back to full working in record time.

The restart has taken half the time originally anticipated when the first assessments of the damage were taken and some of the innovations made to speed the return to normal working have proved so effective that they will stay as permanent features.

Yet on September 22, the morning after the fire, the prospects did not look bright. Rumours were rife among the 850 workforce that the company could not afford the massive cost of chipping out aluminium from the affected cells. There were fears of heavy redundancies at the smelter which produces a quarter of all the U.K.'s aluminium.

The accident could not have come at a worse time for British Aluminium. In contrast with the situation at the beginning of the year when there had been 20,000 tonnes of metal stockpiled at Invergordon, demand had picked up considerably. Stocks were down to nothing and the loss of capacity of 1,000 tonnes a week would have to be made up by buying metal from outside the company.

"The whole organisation was stunned," said Mr. Keith Stanley, the smelter manager. "There was no doubt it had been a shock in the medical sense for a lot of people. We had to do something to allay anxieties."

By coincidence Mr. Adam Sousa, who had recently been appointed a full-time official of the Electrical and Plumbing Trades Union for Scotland, arrived at Invergordon on a routine visit within hours of the accident. When he heard the news he convened an immediate meeting of all senior shop stewards in the plant and they decided to ask the management to speak in the work force at a meeting in the canteen.

The chance arrival of Mr. Sousa gave the management a flying start in solving its first problem—securing agreement to bring in new shift arrangements, relaxing consultation procedures so that decisions could be taken quickly and dropping demarcation lines.

Mr. Stanley gave the meeting an assurance that the company was committed to restarting production as quickly as possible, regardless of cost. There would be no redundancies and any new men taken on during the restart period would be given permanent jobs.

There had been a strike in 1974, and during the restart following that between 10 and 12 cells had been cleared of solid metal and put back in production each week. The new target was to be 21 a week. "I set the target as an emotive one in appeal to shift pride. One cell had to be restarted on each eight-hour shift," said Mr. Stanley.

The meeting voted overwhelmingly to try to meet the target and shop stewards organised themselves into a 24-hour rota to meet any on-the-spot problems. To improve communications the company brought in a freelance journalist to produce a regular restart bulletin.

Mr. Peter Paine, who had recently been made project coordinator for the smelter, made the restart of the 150 frozen cells his first major project. He began regular meetings of departmental heads to discuss progress and problems. As many cells as possible had to be restarted without rebuilding completely; production in auxiliary departments, such as that making carbon electrodes, had to be stepped up to meet the demand as cells were put back into operation; and normal production had to be maintained on the remaining 150 cells not touched by the accident.

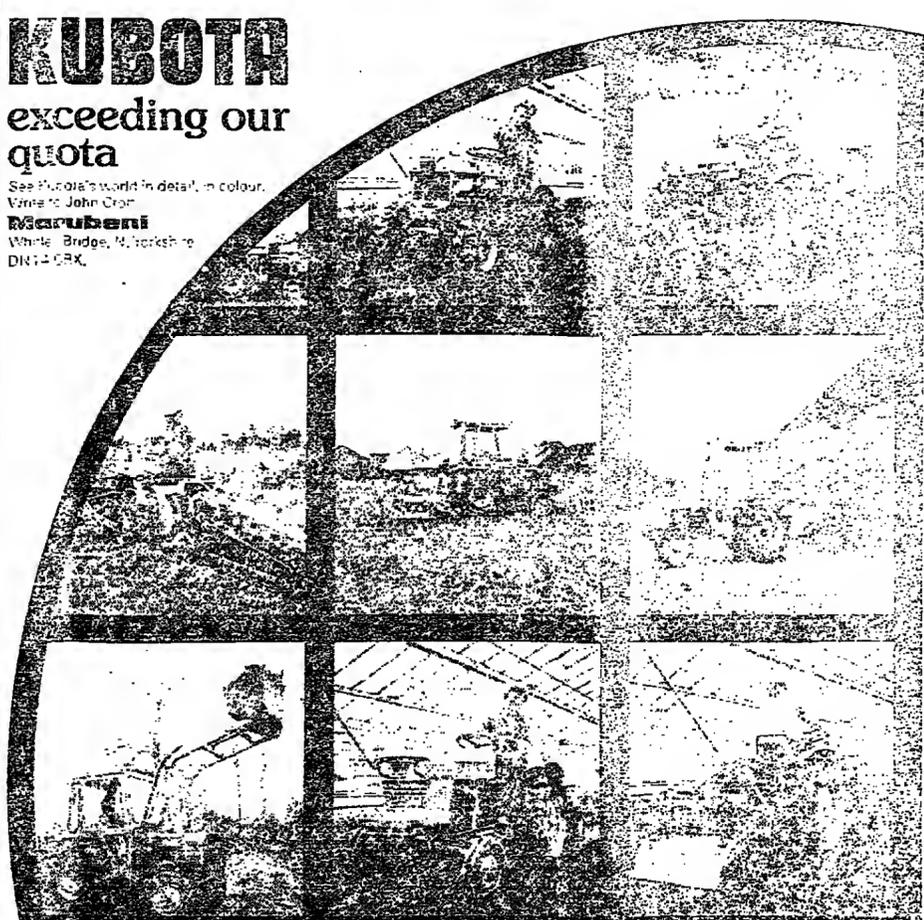
As the graph of progress against target began to be plotted it was clear that the rate of 21 restarted cells a week was being surpassed. Not only was it faster than any previous start-up at Invergordon, but fewer cells had to be rebuilt.

As an exercise in management it has provided a number of challenges, but Mr. Stanley does not overstate the difficulties. "It was the sort of situation that makes decisions easier to take. I think most managements would rather handle a crisis than achieve the last 1 per cent of normal production."

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Swings and balances in the world coffee market

BY RICHARD MOONEY

On the other hand

YESTERDAY'S news from the monetary front was unusual enough to puzzle anyone who has not been following the development of the present situation fairly assiduously.

EVEN against a background of fierce inflation, there is one grocery item whose price escalation stands out like a sore thumb.

The disparity is not destined to continue at the present level, however. Though it is unlikely that instant coffee will reach the £5 a pound level indicated by the raw coffee price rise in the near future, coffee trade sources openly predict that a 4 oz jar of instant will cost at least 80p by the spring of this year.

But the bad news did not stop there. In the second half of 1976, the Colombian crop—normally a distant second to Brazil's—was hit by a quick succession of drought and floods, which cost the world another 2m. bags (60-kilos each) of coffee.

The net result is a total world crop of 62m. bags giving a current crop export availability figure of only 44.7m. bags—according to U.S. Agriculture Department (USDA) estimates released last autumn. The latter figure compares with a normal world import demand of around 53m. bags.

The seriousness of the situation can be judged from the response of London Robusta coffee terminal market—a predominantly "paper" market dealing in futures contracts.

Immediately before the July 1975 frost disaster, futures contracts for nearby delivery cost a little under £500 a tonne; within a few days this had risen to £855 a tonne; and by the end of 1976 the May delivery price was standing at over £2,900 a tonne.

But what does this mean to the consumer? If raw coffee prices double, do retail prices double? The quick answer is "very nearly."

Coffee processing is a raw material intensive operation. Before the upsurge of the last 18 months, raw material costs were estimated to account for about two-thirds of the retail instant coffee price, but the subsequent rise has pushed this ratio up to about three-quarters.

But there is a time lag. The instant coffee on the supermarket shelves at the moment was probably delivered to the processors in its raw state about three months ago, and the contracts for its purchase may have been signed some months earlier.

It is impossible to give a definite answer to this question. It could be argued that since it would cost manufacturers £2,900 a tonne to replace their stocks at current prices, the retail price should reflect this level.

On the other hand the position is complicated by the existence of the futures market which, according to classical economic theory, allows price peaks and troughs to be evened out in theory futures market

"hedging" allows buyers to cancel out price movements following the signing of contracts by selling "paper" coffee in equivalent amounts.

The supply chain between the Brazilian coffee grower and the British consumer of instant coffee includes Brazilian exporters (whose activities are controlled through the export registration system by the Brazilian Coffee Institute), the European coffee trade (merchants and dealers), specialist roasters and processors and manufacturers, who generally roast and process their own beans and who may buy direct from the exporters, but they still have to pay the going world prices.

Before the 1975 frost some large manufacturers could buy Brazilian coffee direct from the Coffee Institute under long-term fixed-price contracts, often with substantial discounts against the world price. But this practice was quickly abandoned by Brazil following the disaster and virtually all supplies are now purchased in the open market.

From the manufacturer the coffee passes either to wholesalers or directly to the large

supermarket chains. The supermarket price mark-up is generally between 5 per cent (for special offers) and 12 per cent, but the small retailer will have to pay a cash-and-carry mark-up of at least 4 per cent, before adding his own 15 per cent (average) margin.

A further factor contributing to the wide price variations which have been vexing many housewives recently is the varying speed of turnover in the retail market. The large chain is often able to continue with

its old price for some weeks after an increase in the manufacturer's wholesale price (an increasingly frequent event) because of its large stocks. But the small shopkeeper with more limited stocking facilities will have to raise his price almost immediately. These considerations can lead to variations of up to 20p on a 4 oz jar at times.

At the time of the Brazilian frost, stocks held in consuming countries were unusually low, partly as a result of the perennial oversupply situation and partly because of high interest rates. The only substantial stock in the world was held by Brazil and in spite of desperate efforts to retain this stock (by swinging increases in export taxes and export price minima) it has been forced down to a dangerously low level by continued consumer demand.

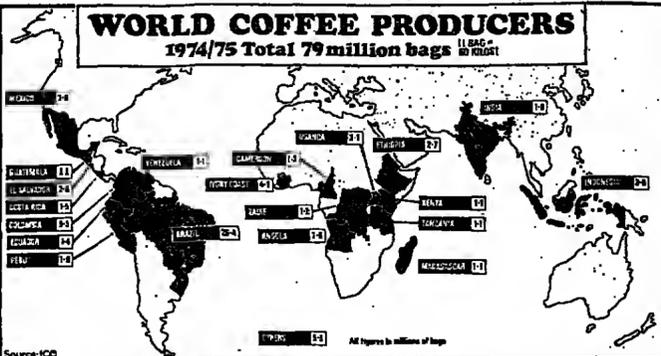
threatened consumer boycott in New York State.

Prospects for a recovery in production depend largely on the outlook for the Brazilian crop. After this year's 6m. bags or less, a figure of around 15m. bags is predicted for 1977-78, rising to 20m. bags in 1978-79 and to a more normal 24m. bags second inquiry into retail coffee prices while the U.K. Price Commission is undertaking a similar exercise. The first U.K. inquiry, mounted in late 1975-early 1976, ironically encouraged an even faster price rise. By attracting public attention to the coffee

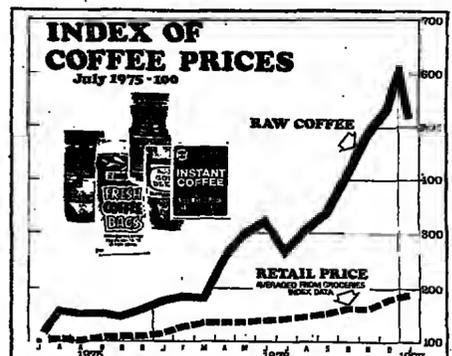
following an expensive promotional effort but the fall-off in U.S. consumption since 1962 is generally traced back to the 1963-64 season.

A similar outcome may well result from the current coffee-buying boycott campaign in New York State. Housewives are being urged to stop buying coffee until it comes down to more realistic price levels, but coffee trade sources claim that the campaign has simply encouraged panic-buying of coffee. However, these claims have not been confirmed. Meanwhile one major grocery chain in the New York area has begun hanging signs in its stores urging shoppers to avoid coffee, describing the price as "ridiculous." A back-up, the same chain is offering generous discounts on competitive beverages such as tea and cocoa.

Manufacturers were estimating that consumption might fall by 4 per cent, to 5 per cent, in 1976, but they now say that the actual outturn was only 3 per cent down, a very modest fall in the circumstances. This is all the more surprising in view of the fact that the situation is not without precedent. In 1953 coffee availability was similarly reduced by a Brazilian frost and prices rocketed—in fact the £1,000 a tonne peak reached then has only recently been surpassed in real terms. On that occasion, however, demand reacted sharply and U.S. consumption fell by around one cup a head a day. This was recovered



WORLD COFFEE PRODUCERS 1974/75 Total 79 million bags



INDEX OF COFFEE PRICES July 1975-1977

Italy's search for a wages policy

SIGNOR Giulio Andreotti, the Italian Prime Minister, will need all his political skill to rescue his economic crisis programme in the face of the combined opposition of the trade unions and the Communist Party.

Trade unions It is not only Signor Andreotti who faces a dilemma. By their decision to give the Andreotti Government their tacit support after last year's elections, the Communists can no longer escape all responsibility for the way the country is governed, even if they are not officially inside the Government.

Direct role The main point the unions have made, however, is that negotiations must not cover wages in isolation. Both they and the communists are clearly not wanting to turn their backs on the trade unions that are a major pillar of their support.

MEN AND MATTERS

Jones the poll

The most powerful man in the country (or so said 54 per cent of those questioned in a recent opinion poll) yesterday urged the "media" to allow the election of his successor "to proceed without outside interference."

Coals to Pompeii The Pompeii exhibition had a rather special visitor yesterday. The Communist mayor of Naples, Maurizio Valenzi, was full of praise for the quality of the exhibition which, as he commented afterwards, was a state of Naples' own museums.

No smoking

Sir Giles Gilbert Scott was not only the architect of Liverpool Anglican Cathedral and Waterloo Bridge, he also left two more strictly functional monuments in the shape of London's Battersea and Bankside power stations.

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POLITICS TO-DAY

Europe: our hopes and fears

BY DAVID WATT

THE LAUNCHING of two of the most intelligent British politicians into high responsibility within the Common Market this week was an historic occasion. The European Parliament in Luxembourg, which staged this event, evidently felt the symbolism of it. The two men concerned were moved to take quite extraordinary pains with their speeches — with extremely interesting results. Mr. Roy Jenkins, as one would expect, produced a ringing reaffirmation of hope for, and commitment to, the cause in which (as himself put it) he has spent most of his political life.

Being a cautious man, however, stuck at this outset of the four-year term as President of the Commission, mainly to realities. Mr. Anthony Crosland, being the representative of a national government and acting as President of the Council of Ministers of only 12 months, was more revealing. His speech revealed, along with his genuineness for the EEC, some of the doubts and ambiguity that is identifiably present not just in his mind but in that of many of his fellow politicians.

As I understood the Foreign Secretary's remarks his position roughly paraphrased — as follows:

a) Sectoral problems such as fish, fishing and agriculture soluble given a reasonable amount of Community spirit, must be solved as a necessary first step to restoring the Community's momentum.

b) The integration of the

EEC into an Economic Union shows no signs of coming about — and perhaps may never do so. The attempt to bring this about by detailed measures of harmonisation and still more the attempt to tackle the problem head-on through exchange rate uniformity, have been over-ambitious and misconceived.

(c) There can be no progress on economic integration unless there is a close convergence of standards of living an inflation within the Community and a pattern of trade which does not produce persistent surpluses and deficits. A precondition of bringing about this state of affairs is the immediate reduction of unemployment and the restoration of economic growth. In the longer term there will have to be better arrangements than are offered by the Regional and Social Funds for transferring resources from richer to poorer regions. But even this may not do the trick.

(d) The complete political integration of the EEC is even more problematical. We cannot foresee how the Community will develop and should not bother our heads about it. In the meantime, however, the political functions of the Community are more successful than the economic ones and offer some modest possibilities for further immediate progress. Institutionally there is scope for improving the machinery of the Council of Ministers and pressing on with direct elections to the European Parliament. Events are forcing better Community co-operation over commercial policy towards the Third World and the Eastern

block. Perhaps something useful can also be done on a Community basis in purely political areas such as Cyprus, the Middle East and disarmament.

A number of points immediately strike one about this description of the situation. In the first place, the tone is subtly but significantly different from that of the Foreign Secretary's first pronouncement on the subject to the Socialist Commentary at Blackpool at the beginning of October. The two positions are easily reconcilable with each other, but in the October speech the emphasis was far more on exploding what Mr. Crosland regarded as the over-inflated pretensions of the Community ideology. After three months of actually working within the Council of Ministers he is more interested in the potentiality of the organisation as it stands.

Implicit

The second point is that while the limitations and negative aspects of the Community are given less prominence by Mr. Crosland than three months ago, they are none the less implicit in what he is saying — particularly on the economic side. He does not maintain that economic integration is undesirable or that it can never come about or that if it came about it would not lead to greater political integration. What he is saying is that economic integration is impossible under present unfavorable economic circumstances and that he is dubious about its

future even if conditions improve.

This puts him, no doubt, into opposition to the beliefs of the European founding fathers who believed to an inevitable organic growth consummated in a United States of Europe. But it also serves to distinguish him from the Prime Minister. Mr. Callaghan, as Foreign Secretary to Britain of the kind of limited political and economic cooperation that the Community now provides — but his instincts remained, and evidently still remain, those of a British Gaullist. While he was directly in charge of British relations with the EEC there was a constant pulling back from anything that might lead down the supranational primrose path. We behaved correctly within our obligations, but there was a grudging undertone. The new Foreign Secretary is sceptical in practice but not, it seems, afraid of going as far in Community co-operation as present politics allow.

This is an enormous gain, and has already been noted as such with great relief by the more Community-minded elements in the EEC's structure — the Commission, the Parliament, and the smaller members of the Nine within the Council. Nevertheless, the pragmatism of Mr. Crosland's speech does prompt some fairly sombre thoughts about what practical politics in Britain does in fact allow.

The country stands at a number of important crossroads at this moment. What should be its relation to the new Carter

Administration in the U.S.? How far should we be drawn into the Southern African question? What kind of relations do we wish to cultivate with the Arabs? Assuming we are cutting defence yet again, what are to be our priorities? All these decisions can be taken on the basis of a European strategy or on the basis that British interests can be more or less sharply distinguished in each case from the common interests of ourselves and our Community partners. We are no doubt much more inclined than we were three years ago to see things in a European light but in many ways we are still in a muddle.

We start off, of course, with deeply ingrained habits of mind which affect the reactions of many people who are intellectually convinced of the need to consider the European angles before others. A senior civil servant confessed the other day, for instance, that the instinctive reaction to any international problem in Whitehall was first to consider British interests, defined in the narrowest terms, and then to ask how the Americans would react. The thought that any problem might offer the chance of either prefiguring, or enhancing, European co-operation does not immediately spring to mind, and may never do so until some inconceivable fellow points out that the proposed course of action actually runs counter either to Britain's obligations or her interests, defined in wider European terms.

Then the politicians are not yet attuned to "thinking Euro-

pean." There are large numbers of Ministers and MPs on both sides of the House of Commons who still argue in terms of an independent world role for Britain. On the Conservative side it is a question of a blue-water defence strategy, an international role for sterling and the City and automatic entrée to the White House. Even on the Labour side there is a common assumption, particularly as regards Africa, that our power is far greater than it is and that any attempt to try and involve our European colleagues would be beside the point even if it could be achieved. Conversely the Left still wish to ignore the possibilities and the pressures of Europe by calling for protectionism and a siege economy. Even the great mass of moderates who make up the majority of Labour and Conservative Parties in Parliament and who accept the European commitment as an "important fact of life" (to quote the commonest terminology) are still thinking negatively and defensively rather than positively, and creatively about the European dimension.

Public relations

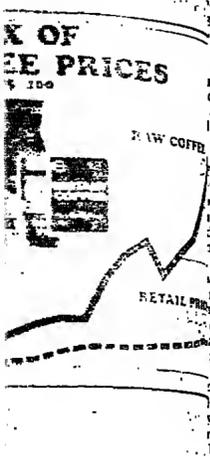
The reason for all this is mainly historical — but it will not change unless the British picture of the Community changes as well. Mr. Roy Jenkins' stress on "a vigorous presentation to the public of the Commission's activities" and his determination to run the Community's information services himself shows that he believes



Mr. Jenkins initialling documents after taking the oath as new President of the EEC Commission.

bad public relations are part of the problem. But both he and Mr. Crosland really got to the point when they talked about the Community's success — or much sign that Chancellor lack of it — in convincing Schmidt's government has ordinary people that there is something in it for them. The EEC. The unstated problem of what are of interest to the land's Presidency and perhaps the four years of Mr. Jenkins' accurately describes as fair, but term at the Commission is how the economic possibilities which he describes with equal accuracy as very bad. Unless and until active terms. They are, of course, unemployment comes down and in the difficult situation of being blamed if they throw their Community will not only continue to be higher over sharing as more if they do not — a situation much cake as is available, but familiar for many years to the it will be regarded by most British voters and their representatives as at best irrelevant and at worst a menace.

What we are up against — though Mr. Crosland was too diplomatic to say so — is the desired targets — economic or political — does not look too Government and of the present good.



Letters to the Editor

Where savings can be made

Mr. J. Humphreys writes: The Chancellor's ideas curbing public expenditure on us in December with what is as much impact as a half-kilogram Christmas pudding. This is predictable. A compromise between what ought to be done and what it is thought can be done satisfies nobody and fails to tackle the real problem. The measures proposed are a reduction in real and permanent, but a deflationary policy in the capital expenditure programmes, whether in Government services, nationalised industries, or local authorities, merely putting off to some time in the future when they will cost more — essential items expenditure. In the immediate term, they will add to the employment figures, and create further difficulties in the rate sector of industry, notably the construction industry.

There is a vast territory of public expenditure which contributes nothing either to the economic or social well-being of the country, and yet has emerged totally intact from the recent s. I refer to the multiplicity of boards, commissions, agencies, call them what you will, which have been created by the guided legislation of recent years.

A typical example, I take the Equal Pay Act and the Sex Discrimination Act, and the ministering body set up in pursuance of this legislation. Committee I do so for no better reason than that they are the subject of a report by the National Commission for Civil Liberties. The Equality Report by Jean Combs, on which you comment in your edition for Tuesday, January 11 (Equal Pay Act and Sex Discrimination Act). The Commission's report, as summarised by you, states that "the Equal Pay report states that the 'allocations of the Act' had been used as well as the application of the Act to state that is a long list of cases waiting to be heard under both (that Equal Pay and Sex Discrimination) Acts.

It is a classic example of legislation which nobody wanted to first place, except a few intransigent, and which nobody stands anyway. Its effects are cumulative, involving yet Government agencies AS for instance), and in the end is totally ineffective. It has a colossal waste of the State's money. The same applies to the Race Relations Board and the Community Relations Commission, or what new body has been set up to keep their place. I am sure I am neither a rabid racist, simply that these are not for legislation and the effect of legislation is a squandering of public money.

A list of these non-productive bodies would take up all columns of your paper — anybody really know all this? Here are just a few going on with: The Price Commission; Consumers Advisory Council; the Manpower Service Agency. Your readers will be of many more. The list is growing every day. It seems very soon we will have a list of bodies which are doing us, following the report of the Bulluck Committee, and probably another public body minister it.

These are the areas in which the effect of reduction in public expenditure can be

made, without any harm and indeed with some positive benefit to the economy. We suffer at present from a surfeit of legislation, and any hope of fulfilment lies in an election manifesto which will commit itself to the repeal of existing statutes rather than the creation of new ones.

J. S. Humphreys, 15, Wainey Lane, Solihull, West Midlands.

Build-up at Prestwick

From Mr. S. Searcy: Sir, I read with interest that renewed pressure is on Mr. Peter Shore, the Environment Secretary to start an immediate search for a fifth airport site in the south-east to relieve the growing pressure on Heathrow, Gatwick, Luton and Stansted. The original idea of "Foilness" was and still is the best option the Government ever had for an airport site. In spite of the strong opposition and criticism the scheme received at that time, the people in the South-east must wake up to the fact that a fifth airport is not only necessary but essential for the growth and prosperity of this region. Failing that, let us look up north across the border.

I propose Prestwick in Ayrshire as a better and practical site to be developed into an international airport which Scotland badly needs. There is no shortage of land, no villages to be disturbed, and only 40 miles from the capital. Prestwick is well connected with the electric trains in London and possibly by a enter-houses service, linking the airport to city centres in Britain and Ireland.

I think British Caledonian, together with local businessmen, should pave the way in supporting my idea. And let us all pray for the spirit of 77 to guide us for the good and prosperity of this country.

S. Searcy, 25, Shearn's Gardens, Edgware, Middx.

Distorted by subsidies

From The Chairman, Industrial Milk Supplies: Sir, I accept the point made by Mr. Paul Tillet (January 8) that tax relief is only given on loans for house purchase, but as he implies in his last paragraph, the housing market is badly distorted by many different kinds of subsidy.

I think it would be better if all subsidies were abolished including tax relief on interest and council houses should then be let or sold at market prices. Private landlords should be allowed to charge market rents and tenants suffering genuine hardship should be assisted through normal social security arrangements.

W. S. Roe, Industrial Milk Supplies, Weymouth Road, Beccles, Lancashire.

Demand for mortgages

From The Secretary General, The Building Societies Association: Sir, May I briefly reply to some of the points made by Mr. Kaufmann in his letter (January 12)?

There is very little institutional money in building societies. The investors who are keenly sensitive to competitive yields and therefore cause the big ebb and flow of building society funds are practically all personal investors with substantial holdings.

Ever since the early 1950s there has been a higher demand for mortgages than the supply of them, whatever the rate of interest charged. The number of mortgage loans is not related to the rate but to the supply of mortgage funds.

The builders would prefer mortgage funds at a high rate of interest rather than a severe shortage of money.

The mortgage rate, that is, allowing for tax relief or the option subsidy, is still lower than that obtaining in most other countries.

Norman Grigg, 14, Park Street, Mynshir, W.1.

Underwriting Sterling

From Mr. F. Courtney: Sir, I understand that the Press reports that the U.K. should consider itself exceedingly fortunate in having received approval for the long debated IMF loan of \$3.5bn, and the basic international underwriting of a further \$2bn, of Sterling Balances. This was heralded by the media as a sign of great faith by the rest of the world in our ability to weather the storm and to survive as a going concern.

The more responsible members of the Press added the small print attached to these approvals. To the former attaches the obligation to cut public expenditure and to keep \$3 within bounds of approximately half the rate of inflation. To the latter attaches the obligation that Sterling should at no time in the future be allowed to be used as a reserve currency for third world countries.

The obvious question to be asked is whether it would have happened if the rest of the world had no faith in our survival? What would have happened then? The answer is of course that we would have been free to make sterling inconvertible. We would have been free to increase the Sterling Balances to the third world which includes the Commonwealth countries, who could have supplied us once again with all the food and raw materials we needed at prices we could afford. We would have been free to regulate the currency machinations of the multinationals, who got us into the situation we are facing. We would have been free to liberate the Western world from the scourge of illiquidity, which has been forced upon us. We would have been free from American domination.

What is the result of the \$3.5bn, loan facilities? A windfall gain of \$68m, for the multinationals at the expense of our exchange equalisation fund.

F. Courtney, 96, Sandown Court, Southampton.

Cause for concern

From Mr. J. Stockwell: Sir, I refer to Eric Short's article "Government criticised on pensions" (January 6) in which the chief executive of the Legal and General Assurance Society comments apropos the Government's attitude in pension improvements in relation to the pay limits.

Mr. Peel considers that pension improvements should be outside the scope of the pay code and states that the continued refusal on the part of the Government to make such a concession will result in haphazard development of the partnership between state and private pensions.

I consider that the main result of any such concession would be immediate pressure

being levied by the unions for employers to improve their pension arrangements. In times of wage restraint and when the subject of pensions has become a sensitive issue, such a relaxation in the pay code provisions would open the floodgates for demands which if based on Superannuation Fund Office maximums, could, for cost reasons alone, not be met.

As to any damage being done in the partnership envisaged in the provisions of the Social Security Pensions Act 1975, the pay code permits pension improvements in order to meet the contracting-out requirements of the Act.

While any relaxation in the pay code on non-wage benefits would undoubtedly be of "profit" to insurance companies, to other organisations such a relaxation would surely be viewed with concern.

M. J. Stockwell, 7, Lavender Way, Widmer End, Bucks.

Those three extra days

From Mr. R. Kimberley: Sir, — There is every reason why Mr. R. L. D. French (January 11) should feel guilty, and embarrassed by the long Christmas shut-down or he is confident normal holiday allocations with extra holidays. I do not dispute that industry may have taken the opportunity to include part of the period in normal allocations but very much doubt that any organised effort will be accepted that official extra bank holidays be included in normal allocations. By Government order three normal working days were declared as extra, repeat extra, but no such arrangement has never been adopted before.

At a time when we are scrapping the barrel to foster credibility abroad it is not surprising in pretence that we are being more efficient or that other countries may have different pretences. My recommendation in Mr. French is that he tries to convince himself that when the ship is sinking it will not be saved by making some extra holes in the bottom.

R. D. Kimberley, 26, Bunney Street, W.1

Post-school education

From Mr. D. Mitchell: Sir, — It was good to read some unusually sensible comments about the school leaving problem by Anthony Harris in the Lombard column of January 7. But I cannot understand why Mr. Harris is so concerned as he seems to be, about post-school education.

Excellent facilities for anyone over school leaving age are already available in Colleges of Technology, Colleges of Further Education, and Polytechnics throughout Britain. Courses of all kinds — full-time or part-time, days or evenings — in a surprisingly wide range of subjects are available at low fees for anyone from the over-sixteens to the over-states.

All Mr. Harris needs to worry about is securing arrangements whereby each young person can leave school at that time which is best to suit his or her individual personal development towards becoming an acceptable member of society. The decision about the timing should be made by people who know the young person well. I think it should be a tripartite decision, made by the parents and the young person involved.

D. Mitchell, 17, Wellington Court, Mollington, Chester.

To-day's Events

Prime Minister makes fact-finding tour of East London dockland area which would be served by proposed River Line Underground system.

Negotiations open in Brussels between EEC and Norway on total allowable catches of fish in North Sea.

EEC officials continue talks in Tokyo seeking exemption of EEC-produced cars from emission-control regulations effective in Japan from April, 1978.

Session of European Parliament ends, Luxembourg (until February 7).

PARLIAMENTARY BUSINESS: House of Commons: Private Members' motions.

OFFICIAL STATISTICS: Buildings Statistics receipts and loans (December) Usable steel production (December).

COMPANY RESULT

Thorn Electrical Industries

COMPANY MEETINGS: Carr's Milling, Carlisle, 11.30. Hisson's Brewery, Liverpool, 12.00.

OPERA: English National Opera production of La Traviata, Coliseum Theatre, W.C.2, 7.30 p.m.

Dolly Cart Company in Yeomen of the Guard, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

BALLET

Royal Ballet dance The Nutcracker, Covent Garden, W.C.2, 7.30 p.m.

MUSIC: Orchestra of St. John's, Smith Square, S.W.1, conductor John Lubbock, in programme of works by Bach and Vivaldi, 6.30 p.m.

New Philharmonia Orchestra, conductor Rae Jenkins, with mixed choir from London, Nottingham and Yorkshire, perform Handel's Messiah, Royal Albert Hall, S.W.7, 7.30 p.m.

The SAA Flying Hotel to Jo'burg.

Comfort all the way to Jo'burg every day.

Every evening a giant Jumbo 747 Super B takes off at Heathrow, bound for Jo'burg. We call it the Flying Hotel, because the interior has been designed to give you the comfort of a grand hotel.

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COMPANY NEWS + COMMENT

Hickson & Welch up £3.2m. to peak £7.9m

ON TURNOVER ahead from £42.0m. to £54.4m., pre-tax profit of Hickson and Welch (Holdings) improved by £3.2m. to a record £7.9m. for the year to September 30, 1976, after £5.0m. (£2.1m.) at half time.

Table with financial data for Hickson & Welch, including turnover, profit, and dividends for 1976 and 1975.

The company makes chemicals and building materials, and has interests in housing estate development.

comment

The upturn in the chemical industry has occurred at a fortunate time for Hickson and Welch. At the end of the previous year, it had 20 per cent. spare capacity, all of which is now being utilised.

Earnings up at Midland Industries

AFTER A RISE from £0.4m. to £0.8m. at halfway, pre-tax profit of Midland Industries improved from £0.2m. to £1.3m. for the year to September 30, 1976.

Table with financial data for Midland Industries, including turnover, profit, and dividends for 1976 and 1975.

The directors have decided to provide for deferred tax of industrial buildings. Charge for year is included and tax charge and earnings per share for the previous year have been adjusted in a comparable basis. The charge

HIGHLIGHTS

A £7.9m. pre-tax advance at English China Clays reflects recovery in china clay volume coupled with firmer prices. BET has shown good first half gains and the year as a whole should see solid growth.

ERF's rigid trucks are aimed towards the oil/chemical industries where demand has held up. Also articulated units account for 60 per cent. of production and sales of these were particularly buoyant in the second half of 1976.

Indications are that the cost of the plan will be comfortably within the original estimate of £15.7m.

No matter still to be resolved is how the costs of transactions should be split between jobbers and brokers.

Conclusions on this point are expected to be framed on the basis of an inquiry into the likely economics from the scheme.

against retained profits for years ended on and before September 30, 1974 amounts to £101,000.

The charge relating to deferred tax on industrial buildings results in an increased charge for the comparative year of £313,000 to £552,000 leaving retained profit that year decreased by a similar £239,000.

The extraordinary item represents the estimate of closure expenses and losses relating to the group's Scottish foundry in the year ended September 30, 1976, together with costs relating to the closure of part of the foundry during the year, less tax relief.

No further extraordinary losses are anticipated in the current year.

A turnover from a small loss to a £200,000 contribution on the engineering side saw the seal on the group's Scottish foundry for the second year running at Midland Industries. But the real profit generator is the foundries, which produced 90 per cent. of trading profits.

There is only a narrow market in the shares, which moved up yesterday to 21p. At this level the p/e is 4.2 and the dividend yields 6.5 per cent.

Provided this trend continues, and the market situation in 1977 remains favourable, the directors expect to recommend a return to the maximum final dividend payment.

After a significant recovery from Fodens, a sound performance from ERF was on the cards. Even so, a first-half sales jump of 64 per cent. and pre-tax profits turn-

round of over 1500,000 caught the market on the wrong foot and the shares rose 7p to 42p. U.K. commercial vehicle production was flat in the period, but ERF's rigid trucks are aimed towards the oil/chemical industries where demand has held up.

Also articulated units account for 60 per cent. of production and sales of these were particularly buoyant in the second half of 1976. Industry figures point to about 800 units in January (down 46 per cent. on the comparable period) rising to 1,000 units by October (30 per cent. up on 1975).

In addition, ERF has been improving its export ratio, now up to around 15 per cent. Since the interim there has been a three-week strike which lost around 150 vehicles, but a 10 per cent. price rise and 20 per cent. production increase in the final quarter should ensure that the group tops £1.1m. for the year. On a prospective p/e of 3.4 and yield of 12.4 per cent. the shares do not look expensive.

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Eastwood ahead in first half

SALES of farmers and builders J. B. Eastwood advanced from £53.9m. to £72.2m. at halfway, up from £40.7m. to £48.5m. for the 26 weeks to September 24, 1976, subject to tax of £2.35m. compared with £2.13m.

First half profit is after £97,000 (£53,000) discount on purchase of unsecured loan stock and interest and group management charges of £1.1m. (£0.94m.).

Earnings per share are up from 3.53p to 5p and the net interim dividend is stepped up from 1.15p to 1.245p for 1976/76, the total was 3.4385p and profits 57m., a record.

Eastwood is a tenth ahead pre-tax. A flat time in eggs has held the farming division in check despite an upturn in turkeys and broilers, with the latter showing price gains of a third over the past 12 months.

The meat operations are sharply higher under the impact of good increases in volume, and the rest of the business has also moved nicely ahead.

This half the prospect for trading eggs in is not really improving. But Eastwood has some encouraging things to say about higher output and cost savings generally.

And growth in broilers continues apace. If the group can top £19m. pre-tax this year, earnings per share of 19p would cover a prospective yield of 10 per cent. should five times. On this basis the 1976-77 p/e at 58p is 3.

ERF's rigid trucks are aimed towards the oil/chemical industries where demand has held up. Also articulated units account for 60 per cent. of production and sales of these were particularly buoyant in the second half of 1976.

Industry figures point to about 800 units in January (down 46 per cent. on the comparable period) rising to 1,000 units by October (30 per cent. up on 1975).

In addition, ERF has been improving its export ratio, now up to around 15 per cent. Since the interim there has been a three-week strike which lost around 150 vehicles, but a 10 per cent. price rise and 20 per cent. production increase in the final quarter should ensure that the group tops £1.1m. for the year.

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Lord Abernethy, chairman of English China Clays.

Midway fall at Gordon & Gotch

TURNOVER of periodicals, books and newspapers expanded from £13.27m. to £13.53m. in the first half.

In addition, turnover of associate companies rose from £8.2m. to £8.9m. after a dip from £8.2m. to £7.8m. in August.

The net interim dividend goes up from 1.0835p to 1.1913p per 25p share, half the maximum payment allowed for the year. Last year's total was 2.1671p.

The amount, absorbed by the interim increases from £49,525 to £54,478.

Sir Anthony says the first-half downturn reflects in part the initial high financing charges of the £1.6m. capital investment programme.

But the greater part is due to rising costs of operation and the downturn in sales of British magazines and books in the group's traditional markets.

The result of repeated price increases.

Of the dispute concerning Bramcast Gotch, a company jointly owned with Wogan Bramcast, a trading subsidiary of Guinness Peat Group, Sir Anthony says Wogan Bramcast is now petitioning for the winding up of Bramcast Gotch.

We are opposing the petition and have commenced our own separate proceedings against Wogan Bramcast arising out of the affairs of this jointly owned subsidiary, Sir Anthony reports.

We seek in these latter proceedings (after final a decision from the High Court that Guinness Peat Group are not entitled to claim from Bramcast Gotch some £2.1m. or any other sum for debt collecting services allegedly rendered to that latter company).

The chairman concludes: "We must not be complacent but the results to date are by no means discouraging and considering the

fairly buoyant. The rise in market prices mirrors this trend, as the profit margin on new cars is evidently below that of the group's other operations. Tyre sales have progressed noticeably well, and there have been added benefits from closing one of the three remould factories in the first half. Car hire has been better in the second half and contract hire profits have had a boost from a significant number coming up for replacement and being sold at a good return. The shares rose 4 1/2 p to 51p on the figures for a p/e of 4 1/2 and yield of 11 1/2 per cent., and with current trading up on last year to date the shares should show some further strength.

Kenning Motor ahead 31% at £4.76m.

A second-half improvement lifted pre-tax profit of Kenning Motor Group by 31 per cent. to £3,538,000 to a record £4,760,000 in the year to September 30, 1976.

At the interim stage, pre-tax profit was down from £1,601,000 to £1,584,000.

Turning to the current year, Mr. G. Kenning, chairman, states: "The first quarter will be more rewarding than the comparative period but too much should not be read into this because the last quarter of the financial year was the most significant for the company's results."

"I regret that I cannot at this time forecast the results for the year as a whole. I feel neither optimistic nor pessimistic."

Turnover for the year advanced by 12 per cent. from £141,73m. to £158.5m. Earnings per share were up from 74p to 102p basic and from 6.5p to 8.5p fully diluted.

The final dividend, up from 2.07375p net to 2.41225p, per 25p share raises the total from 3.378375p to 3.71225p, the maximum allowed for the year.

Profits of the Rhodesian subsidiaries have been excluded from the group total. At the pre-tax level, they were down from £11,732,000 to £11,739,000 in the year to June 30, 1976. Tax was £4750,000 (£3817,000).

Motor depot profits declined, partly due to an acute shortage of new vehicles. Used vehicle sales remained buoyant.

Kenning Tyre Services substantially improved sales and profitability and Kenning Contract Hire again had a record year with sharply increased profits.

Kenning Car Hire had a good final quarter and achieved "worthwhile" profits. This result was due to an increase in the influx of tourists, attracted by the devaluation of the pound, the chairman comments.

Kenning Fuel Supplies produced satisfactory results in line with those of the previous year, and motorway service areas increased their profits. Petrol sales showed a substantial improvement and, despite lower overall margins, profits as a whole improved by 10 per cent. Charges dropped by £270,000.

Net book value of properties at the year-end stood at £10.21m. The surplus of £4.16m. on revaluation of the properties at the end of 1974-75 has now been incorporated in the accounts.

Turnover 1976 1975 £'000 £'000 158,500 141,730

Trading profit 2,879 1,829

Finance profit 414 234

Interest 172 142

Minority interest 172 11

Share of associates 4,760 3,479

Pre-tax profit 8,797 6,695

Net profit 2,225 1,900

Minority interest 12 12

Preference div. 45 51

Ordinary div. 712 510

Reserves 1,440 1,278

Special payment: £xclusive Rhodesian subsidiaries.

Taxable profit at the wholly-owned subsidiary Kenning Estates, advanced from £1,218,000 to £1,473,000 for the year ended September 30, 1976. Turnover was up from £1.2m. to £1.38m.

The dividend is held at 12 1/2 p net per 25p share.

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Minority interest 12 12

Preference div. 45 51

Ordinary div. 712 510

Reserves 1,440 1,278

Special payment: £xclusive Rhodesian subsidiaries.

BIDS AND DEALS

Tilling offers £9m. for U.S. medical group

Thomas Tilling Group, after a near three year absence from the major takeover scene, is making a £12m. (£8.5m.) bid for Intermedco Inc. the U.S. medical supplies company.

The acquisition, which will be the group's largest investment in the United States, will almost double the size of Tilling's existing international medical interests.

For the year to November 30, 1976, Intermedco reported profits of \$3,141,000 (£1,941,000) on sales of \$53.5m. (£31.4m.).

STEELEY EXPANDS

Steeley, the chemical and minerals concern, has acquired for £38,000,000 DH Industries, a private company with premises in Essex.

ASSOCIATES DEALS

Robert Fleming and Company announce that an associate of Spear and Jackson International purchased 20,000 Spear and Jackson shares at 14p.

BANK RETURN

Table with columns for BANKING DEPARTMENT and ASSETS, listing various financial figures.

COACHBUILDERS & ENGINEERS

Table titled 'DUPLÉ' showing 'Summary of Results in £'000' for years 1976 and 1975, with columns for Operating profit, Interest payable, Profit before taxation, etc.

MINING NEWS

Saskatchewan gains in the potash battle

BY PAUL CHEESEBRIGHT

THE PROVINCIAL Government of Saskatchewan has won the latest legal skirmish in its battle with the producers of potash.

BP TO ACQUIRE STAKE IN BOC SUBSIDIARIES

BP International announces that negotiations are well advanced for BP to acquire a 25 per cent. shareholding in BOC Subocean Services.

LIQUIDATION BETTER SAYS BUCKNALL

Shareholders in Bucknall Trust would do better out of a liquidation of the company than they would out of a reorganisation.

SANGAMO WESTON-SCHLUMBERGER

The proposed arrangement between Sangamo Weston and its Ordinary holders other than the 2,044,434 Ordinary Shares beneficially owned by Schlumberger or its subsidiary has been approved.

TRUST MERGER

The Boards of Ashdown Investment Trust and Westpool Investment Trust, both managed by J. Henry Schuler, have announced that they have agreed in principle, subject to the usual conditions, to recommend the merger of the two trusts under a scheme of arrangement.

EDWARD LUMLEY

Edward Lumley Holdings has recently acquired, through a wholly owned subsidiary, the capital of Kinross, Stomox, Mauldini (Reinsurance) Brokers and Dependable Insurance Agencies Limited.

SHARE STAKE

Greenbrook Securities has bought 35,000 British Industrial Holdings Ordinary shares. Total holding is now 2,472,538 shares (18.60 per cent.).

ASA VIEWS ON MINE LABOUR

In the annual report of ASA, the Johannesburg based vehicle for U.S. investment in South African gold mining shares, the chairman, Mr. Frederic H. Brandt, comments that while African wage rates have risen, they have not kept pace with the rise in the cost of living.

EMPEROR IS TO KEEP GOING

AUSTRALIA'S Emperor Mines has agreed to continue operations at its struggling Fiji gold mine for the time being, the chairman, Mr. J. L. Reid, told shareholders at the Melbourne meeting on Wednesday.

EAST DAGGA

Owing to a printing error, East Dagon was mentioned in this column yesterday as being one of the mines which would stand to gain particular benefit from a revaluation of South Africa's gold reserves.

APPOINTMENTS

M. Denton is NatWest divisional manager

Mr. Maurice Denton has been appointed general manager of the NATIONAL WESTMINSTER BANK domestic banking division.

Mr. Robert Napier has been appointed treasurer of the Board of Directors of the Bank of Scotland.

Mr. Michael H. E. Dixie has been appointed chief executive of LISTER AND CO. from January 17.

Mr. Walter Hayes has been appointed vice-chairman of FORP OF EUROPE INCORPORATED.

Mr. Alan Beattie has been appointed vice-president of the British Overseas Airways Corporation.

Mr. Michael Fearfield has been appointed chairman of the agricultural sector of ALBRIGHT AND WILSON from February 1 in succession to Mr. William Coster.

Mr. M. J. C. Smeaton has been appointed director of the SMC REVIEW from January 17.

Mr. Terry Brown, accountant, has been appointed to the Board of EBRAC.

Mr. Leslie J. Macdonald has been appointed general manager of BRISTOL SCOTLAND. He will be based in Glasgow.

Mr. G. R. Fowler has been appointed director of the SHERIFFS who Mr. R. H. Sissons will be appointed director and company secretary.

Mr. D. J. Pinner has been appointed a deputy director of the TUBS and TRAYS division of the British Overseas Airways Corporation.

Mr. F. E. Turner has been appointed a director of BANK FILM DISTRIBUTORS.

Mr. Anthony Van Spaendonck, chief executive of Skol NV of Holland, has been appointed a director of ALLIED INTERNATIONAL BREWERIES.

Mr. John E. Redman and Mr. Michael A. Trask have been appointed to the Board of J. H. MINET FINANCIAL MANAGEMENT.

Mr. R. W. Hill, secretary within the marketing department of the company, has been appointed a director of the company.

COMMERCIAL UNION ASSURANCE COMPANY, Mr. D. R. Colden, deputy secretary, will retire on April 30 after 37 years with the company.

Mr. David Kinross has been appointed an associate of the director of NOBLE-GRIFFITHS.

Mr. Angus F. Ross has been named resident manager of CITIBANK FINANCIAL SERVICES in London.

Mr. Robert Napier has been appointed a member of the Board of Directors of the Bank of Scotland.

Mr. M. G. Hoggan has been appointed secretary of the HOUSE JAFFEY (London) appointment of Mr. J. J. to the Board.

Mr. Arthur M. Webb has been appointed a director of the Board of Directors of the British Overseas Airways Corporation.

Mr. Alan Beattie has been appointed vice-president of the British Overseas Airways Corporation.

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BSC's Quebec iron venture

THE British Steel Corporation will be launching a joint venture with the Quebec Government to develop a \$500m. iron ore mining and processing complex in the province.

THE Japanese companies are to take a 49 per cent. stake in a joint venture with the Sudanese Government to develop rich chrome deposits in the Ingessana area of Eastern Sudan.

Production at the mine site at Fire Lake has begun on a limited scale but is expected to reach full capacity by the end of this year.

BSC is committed to purchasing a minimum of 1.5 million tons of iron ore per year from the mine at the turn of 1977 into 1978.

BSC's partners at Sidbec Normales are the Quebec Government owned Sidbec with 50.1 per cent. and the U.S. Steel subsidiary, Quebec Carter Mining with 5.2 per cent.

ELANDSRAND IS TO RAISE R60M

The further rights issue to be made by the Anglo American Corporation group's Elandstrand developing gold mine in South Africa's Far Western Rand is aimed to raise approximately R60m. (£38.6m.).

It will allow the company to register on January 28 and will open on February 4 and close on February 25.

Share prices opened a shade lower in morning dealings owing to lack of interest but a flurry of buying interest prior to the official close of the "Home" and which continued in inter-office trading pushed prices in many cases up to 1976-77 highs.

Southern Kinta were outstanding at 102p-3, a jump of 12p, while the Stock Exchange tin shares, which showed the greatest appreciation of any share market, had risen 7p to 78p, moved ahead strongly.

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COMPANY ANNOUNCEMENT

ELANDSRAND GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

PROPOSED RIGHTS OFFER TO MEMBERS

At the general meeting of the Company held on January 1977, the resolutions contained in the notice of meeting dated 12 December 1976 were duly passed.

The directors of Elandstrand Gold Mining Company Limited are accordingly announcing their intention to make a rights offer to members to raise approximately R60,000,000 for financing the continuing capital expenditure requirements of the mine.

It is intended that the offer should be made by way of a rights issue of shares in the Company, which will be registered in the books of the Company on or about Friday, 28th January, 1977.

The offer will not be registered with the Securities Exchange Commission, Washington, and accordingly the offer will not be open for subscription by members registered addresses in the United States of America.

The rights which are thus not available for subscription by such persons will be sold on the Stock Exchange in London through an independent merchant bank account of such persons, and details of the offer in this regard will be sent to members with their annual reports.

12th January 1977

Copies of this announcement are being sent to members at their registered addresses.

New tax agreement gives Shell 15% dividend supplement

Shell Transport and Trading, the British company in the Anglo-Dutch oil consortium, has agreed to receive a 15 per cent. supplement to the cash amount of its dividends from the group in the years 1977-84.

The agreement, which is part of a new arrangement on the treatment of advance corporation tax and related tax credits in Britain.

Under present dividend curbs in Britain, no extra distribution of Shell Transport shares is possible at present, but the extra funds will be available for paying out in due course.

Divisional directors have agreed to pay out in due course. Shareholders are unlikely to be affected.

A full statement from the two parent companies yesterday noted that there had been a divergent of opinion between them as to how the long-established arrangements on splitting tax benefits should be applied to those results from the U.K.'s introduction of the tax-imputation system.

The outcome, confirming arrangements which have been in force, is that ACT is to be treated under a new arrangement supplementary to the basic system for a 60:40 Royal Dutch-Shell split, as forming part of Shell's 40 per cent. share of dividends from the group.

In apparent recognition of the fact that Shell might have had claim to more favourable treatment than this, the arrangement for the 15 per cent. supplement in Shell's dividends over the eight years from 1977 has been agreed.

Under the new arrangement, Shell shares will receive a 15 per cent. increase from 60.01p to 69.01p.

On this same basis, dividends to Royal Dutch shareholders are unlikely to be affected. In the case of Shell Transport, under current restrictions no resultant

increase in dividends to shareholders is possible at present, but the extra funds will be available for paying out in due course.

SNOW REPORTS

Table with columns for Depth State (Cms.), Wind, and other weather-related data for various locations.

GERMANY

Table with columns for Location, Depth State, and other weather-related data for Germany.

SCOTLAND

Table with columns for Location, Depth State, and other weather-related data for Scotland.

IRELAND

Table with columns for Location, Depth State, and other weather-related data for Ireland.

WINDS

Table with columns for Location, Wind direction and speed, and other weather-related data.

Winds: Main winds - complete. New snow on a firm base. Powdered snow on a hard base. Main winds - complete. Lower clouds - complete. New snow with light patches. Forecast: Snow mainly. Calms and Glasbea. Wind decreasing.

NORTH SEA OIL REVIEW

BY RAY DAFTER

Occidental pushes out the boat

DR. ARMAND HAMMER, chairman and chief executive of Occidental Petroleum, has demonstrated throughout his long and varied business career that he is a man of independent spirit. At the age of 78 he is remarkably active, whizzing round the world (Los Angeles-London-Moscow is a regular trip) as if flight had just been invented. He also has the knack of setting the cat among the pigeons, as demonstrated in two recent visits to the U.K. In August he complained that the Department of Energy and the British National Oil Corporation were holding up a agreement for state participation in Occidental's North Sea operations, a somewhat cheeky complaint in view of the oil industry's general procrastination and opposition to this piece of offshore policy. There was a difference of opinion between the Department and the BNOC, he said, as if to add a little spice to the participation controversy.

This week he again surprised the Government, the oil industry and, one suspects, a number of his own executives by announcing in public Occidental's plan to revive and enlarge its refinery project on an island in the Thames estuary. The cost of the 10m. gns a year plant could be 240m, although about £85m. has already been spent. This money was committed to the original refinery which was suspended, early in the construction phase, 18 months ago, when it was found that the intended mainline product — fuel oil — was running into heavy surplus in the U.K.

Quietly Occidental and a number of prospective partners (Murphy Oil and Ashland among them) have been evaluating prospects for a bigger, more sophisticated refinery geared to producing lighter, premium products like petrol and naphtha. The studies have not yet completed and it is doubtful whether Occidental Britain and its partners wanted to advertise its intentions at this stage.

Cromarty Petroleum's plan to build a £200m. refinery in Scotland has been causing unrest in the oil industry. British Petroleum has been particularly outspoken, criticising the Cromarty plan and stating that oil demand is unlikely to warrant the construction of a new, green-field refinery development in the U.K. in Europe in general for the next five or ten years.

Dr. Hammer believes that there will be sufficient demand

for petrol and naphtha in Europe to justify the Convey Island development. Although the group has relinquished its downstream activities in the U.K.—so it will be no more than a products producer and trader—it does foresee a large amount of its own North Sea crude (and revenue) being available over the next few years.

Unlike its partners involved in the development of the Piper and Claymore fields (Thomson North Sea, Allied Chemical and Getty Oil), Occidental has yet to arrange long-term contracts for the refining of its 36.5 per cent. share of Piper crude.

The first consignment of crude which left the Flotta terminal in the Orkney Islands this week was sold by Occidental to Shell. It is now the turn of one of the other group members to arrange the shipment of the

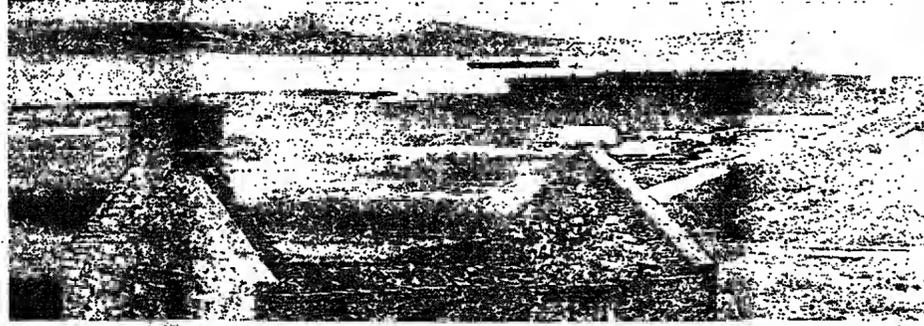
to upgrade either the production profile or the recoverable reserves at this stage. The engineering consulting company, Degolyer and McNaughton, has assessed reserves to be 642m. barrels, although Woud Mackenzie puts the figure at nearer 800m. barrels, using a 58 per cent. recovery factor (high by North Sea standards).

There would be a problem in upgrading the production rate—as British Petroleum has done on the Forties Field. Both the platform and the terminal are engineered for peak output of 250,000 b/d, although by modifying the facilities it may be possible to stretch that by perhaps 10 per cent. It might also be feasible to use the Claymore platform for extra production, at least on a temporary basis.

But the impact of the terminal facilities goes much

played the role of Father Christmas on a belated visit. As a token of the consortium's appreciation he said, the companies were to pay installation charges for electricity supplies to all Flotta homes. Power would be provided by the North of Scotland Hydro Electric Board, which would be given free gas for a minimum of three years. About 1m. cubic feet a day will be involved.

A grand piano has been provided for use by the Orkney Arts Society. (Dr. Hammer pointed out that piano playing was one of his own pleasures.) The Armand Hammer and Occidental Foundations donated £50,000 towards a building that could house a local collection of notable art treasures, including sculptures by Barbara Hepworth and paintings by Ben Nicholson. Dr. Hammer is an avid collector of



A deserted crofter's cottage stands guard over Flotta's oil terminal, which will handle one-fifth of Britain's oil needs.

second cargo within the next fortnight.

By the second half of this year Piper should be yielding oil at a peak rate of 250,000 barrels a day, although initial production experience shows that this upper limit may be somewhat conservative. The first two wells have each been producing at a rate of 30,000 b/d whereas Occidental is expecting a rate nearer 10,000 b/d to 12,000 b/d per well once production is in full swing. The Piper platform is designed to accommodate 24 producing wells and 12 injection wells, although this programme may be reviewed and possibly modified in the light of production experience.

Although development work is progressing well, on Piper, the consortium is not prepared

wider, as those who attended the inauguration of Piper production could not help but notice. For a start, the terminal has brought new employment prospects to the region: of the about 100 are Orcadians.

160 permanent staff at Flotta, The Occidental consortium has tried to work with the local community in the development of its facilities. Mr. Anthony Wedgwood Benn, Energy Secretary, said that the co-operation forged by the oil companies and the Orcadians could be used as a model for a working partnership between the industry and British National Oil Corporation.

As part of the public relations exercise, the 90 inhabitants of Flotta were invited to this week's celebrations. And there were gifts galore.

It was Dr. Hammer who

announced that the consortium provided £25,000 towards the cost of a new community centre.

Even the inauguration ceremony gifts presented to all guests at functions in Flotta and London were bought from Orkney Island traders. To the Orcadians, it might have appeared as if the men who had arrived in private jets were handing out trinkets to the natives. On the other hand there was no denying either the Orcadians' gratitude or the consortium's relief at the comparatively trouble-free construction of such an important terminal.

After all, the Occidental consortium is investing \$1,200m. on the Piper and Claymore production facilities. And they will be handling over 20 per cent. of Britain's oil requirements when in full operation.

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APPOINTMENTS

Financial Director

for the Main Board in London of a large British public company whose science-based products find ready markets across the world.

- RESPONSIBILITY encompasses the development of corporate financial strategy; the deployment of resources; and the control of the financial function in an international group which is characterised by a particular style of management and wherein divisions operate with a high measure of autonomy.

- THE appointment calls for versatility and achievement in directing the financial affairs of a substantial and growing international business.

- REMUNERATION is for discussion; salary is unlikely to be less than £20,000.

Write in complete confidence to P. T. Prentice as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6UJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

DEAN

of The City University Business School

The post, which is open to both men and women, has fallen vacant following the retirement of Mr. David Glen, O.B.E., M.A. The salary for the post is within the range for professors, and superannuation is in accordance with the provisions of the Universities Superannuation Scheme. Further particulars may be obtained from The Academic Registrar, The City University, St. John Street, London EC1V 4PB.

GROUP TAXATION

£8,000

We are currently searching for two qualified, experienced Tax Professionals, C2S, with good working knowledge of Group Tax:

- To join a £200m. International Group based S.W. of London
- To join one of the U.K.'s leading London-based Construction Companies (relevant industry background essential).

Please see career positions! Both are confidential.

James Denbigh F.C.A. on 01-499 4879

MANAGEMENT APPOINTMENTS LTD. 1 Grosvenor Street, London W1

ANALYST

Electricals

A major firm of London stockbrokers is seeking an experienced electricals analyst, possibly aged 25-35, to be responsible for the firm's research in this sector. The ability to produce well researched, lucid reports for investment recommendations is an essential requirement of the position. The firm has a phenomenal extensive and important range of connections among the companies concerned, which makes this position an exciting opportunity for the successful applicant. Good salary, 1100-1200 p.a., pension fund and good life insurance cover. Write Sp. 42755, Financial Times, 10, Cannon Street, EC4P 4B7.

APPOINTMENTS WANTED

MIDDLE EAST AND GULF, U.K. based search firm seeks 10 years exp. in high level commercial contracts, consumer goods and services, civil engineering, asset man. recruitment. Write Sp. 42755, Financial Times, 10, Cannon Street, EC4P 4B7.

INTERNATIONAL APPOINTMENTS

General Manager Consumer Credit Finance Middle East

for this recently formed private company, the first of its kind in the Gulf. Its initial capital will be in excess of £6m. and it will provide credit for consumer durables including automobiles — later moving into leasing and other geographical areas.

Candidates, aged 35 to 45 years, should have had extensive top level management experience in consumer credit operations with a major finance house.

Benefits include tax-free salary about £20,000, free furnished accommodation, car and passage paid annual leave.

Please write — in confidence — enclosing brief career details to D. A. Ravenscroft ref. B.1038-1.

MSL World wide
Management Selection Limited
17 Stratton Street London W1X 6DB

THE TGWU ELECTION

Contestants for Jack's mantle

BY ALAN PIKE

THE MAN chosen next month to succeed Mr. Jack Jones in one of the most powerful trade union offices in the land will be scarcely known to the public. Indeed, to some members of the Transport and General Workers Union taking part in the election.

This is itself confirmation of the peculiar nature of the position occupied by the TGWU general secretary. Although the democracy of the union's structure is fervently defended by members at all levels, a combination of historical precedent, internal organisation and sheer force tends to make him into the personification of the TGWU — a union movement.

Most previous general secretaries—Ernest Bevin, Arthur Rankin, Frank Cousins, Jack Jones—have, regardless of differences in their political positions, had a personal fluency on their union and a whole labour movement which it is difficult to exaggerate. Mr. Jones's successor will be destined to flow this tradition.

However, the same factors which put the TGWU general secretary into his position of challenged importance make difficult to chart the progress of an obvious successor through the lower ranks of the union's leadership.

In contrast to more blatantly political unions, like the engineering workers and the miners — where highly disciplined Left and Right groups have almost the status of political parties—the absence of regular elections for full-time office in the TGWU makes the political identification of officials more difficult. Only the general secretary is elected, and even chosen he is there for life. In addition, the TGWU's organisation into trade groups is to officials, with equal popular appeal and a similar political outlook standing against each other, even though results in splitting the vote political factions within the union.

In spite of the long list of names on the ballot paper published yesterday, there is no doubt, however, that the contest will be between Moss Evans and Mr. Alec

Kitson, with some interest in the fortunes of national trade group secretaries Mr. John Miller and Mr. Larry Smith, and also Mr. John Cousins, a former national official—and son of Frank Cousins—who now works for the National Economic Development Office.

Mr. Evans, 51, the union's national organiser, is widely believed to have the personal backing of Mr. Jones and his influential deputy, Mr. Harry Urwin, who is not standing, partly because he is nearing retirement himself.

Although Mr. Evans identifies himself with the Left, he is likely to collect the bulk of middle-of-the-road support. The

political and industrial wings of the Labour movement after the friction which followed Mrs. Barbara Castle's In Place of Strife, and of winning trade union acceptance for the social contract and wage controls — the views of both men on the development of pay policy will be a question frequently raised in the election.

Both, as is to be expected, support the "orderly return to free collective bargaining" which is in line with TGWU and TUC thinking. Mr. Kitson says he knows of an alternative to traditional free collective bargaining for overcoming the differentials difficulties and other problem areas which are

comfortably than Mr. Kitson. The latter, while accepting that such links are necessary, would not wish to take them to the point of jeopardising trade union independence in order to preserve a Labour Government at any price.

There is no question, both candidates stress, of the British trade union movement seeking a deliberate confrontation with a democratically elected Conservative Government. Asked if there might be circumstances in which such a confrontation might arise, Mr. Evans says: "If they interfered with the trade union movement's ability to protect the interests of its members in areas like free bargaining and legal controls." Mr. Kitson predicts opposition if the Conservatives went for further major cuts in public spending which hit employment and living standards.

Both men come from impeccable working class backgrounds in the classic manual union tradition — Mr. Evans in Wales and Mr. Kitson in Scotland—but their images in the trade union movement are quite different.

Since achieving the new post of national organiser — seen as part of his grooming for the eventual leadership—Mr. Evans has skillfully handled the TGWU's relations with other unions while retaining an important presence on the industrial front with his chairmanship of the trade union side in Ford Motor national pay negotiations. His critics accuse him of being primarily an organisation man, a "superb trade union Civil Servant," who has shown less interest on the wider political front.

Mr. Kitson, a Left-wing member of the Labour Party National Executive, is in the opposite position. He sees the trade union movement very much in terms of its political role. He would, if elected, put political education and broadening the political outlook of the membership high on his list of priorities.

He has, however, been connected with the TGWU only since 1970 when, as general secretary of the Scottish Horse and Motormen's Union, he led it into a merger. Mr. Evans

has spent 21 years as an officer. This is likely to tell strongly in Mr. Evans's favour when the ballot begins. He has some powerful supporters among the union's regional secretaries and is well known in the Midlands — an important power base for those seeking high office in the TGWU.

Mr. Evans's priorities would include continuing to press for an industrial democracy which would give employees a genuine means of taking part in company decision-making, and for better trade union education and research. Mr. Kitson would bring many of Mr. Jones's personal passions to the office. He is deeply involved in international affairs and attaches great importance to establishing strong links between EEC trade unionists at shop steward and shop-floor level.

One subject which may become an issue in the election is the question of democracy and power within the TGWU itself. Mr. John Cousins demanded last week that trade union leaders should get back in the old fashioned task of representing their members' basic interests, and leave the Government to run the country. If the role of Parliament became a secondary one and trade union leaders were elevated to do the job, he said, democracy would rapidly be going out of the window.

While stressing that he was not attacking individuals, Mr. Cousins claimed that a secret ballot of TGWU members would produce evidence of "overwhelming opposition" to the wage control imposed on them under the social contract.

If Mr. Cousins is right in suggesting that TGWU members are having policies imposed upon them, it is tempting to suggest that this results from the amount of power concentrated in the TGWU general secretary's office—the public view of which was gradually illustrated in the recent opinion poll suggesting that Mr. Jones has more power than the Prime Minister. But, not surprisingly, none of the may-be candidates who will be fighting to succeed him next month is demanding radical changes in the TGWU's structure.



Personal blessing? Mr. Jack Jones listening intently to Mr. Moss Evans (left)

organised Left will go for Mr. Kitson, executive officer and number three in the present union hierarchy, but the Left vote may be split if Mr. Miller's campaign gains momentum.

Because personalities, rather than straight political labels, play a bigger part in TGWU elections than those of some other unions the attitudes of Mr. Evans — favourite at the start of the campaign — and his main challenger are of obvious importance, far beyond the interests of the 18m. members of the TGWU themselves.

Because as the man coming to power will inherit Mr. Jones's legacy — of reuniting the

developing under the present policy. The trade union movement agrees Mr. Evans cannot continue indefinitely with a system under which the total amount of income to be allocated is determined at TUC Government level. But he cautiously admits that the trade union movement "must have in mind the tremendous social responsibility involved in a return to free collective bargaining."

On the related question of the trade union movement's relationship with Government, Mr. Evans could be expected to continue the present close working relationship, certainly with a Labour Government, more

developing under the present policy. The trade union movement agrees Mr. Evans cannot continue indefinitely with a system under which the total amount of income to be allocated is determined at TUC Government level. But he cautiously admits that the trade union movement "must have in mind the tremendous social responsibility involved in a return to free collective bargaining."

On the related question of the trade union movement's relationship with Government, Mr. Evans could be expected to continue the present close working relationship, certainly with a Labour Government, more

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Peugeot-Citroen Group announces record results

THE PEUGEOT-CITROEN group on all the company's 9.35m. shares in circulation by the end of December, 1976. Peugeot-Citroen reported a record consolidated turnover of Frs.35bn. (more than £4bn.) and a net consolidated pre-tax profit of at least Frs.300m.

French monopoly rules tightened

PARIS, Jan. 13. FRENCH COMPANIES will be subject to official scrutiny if they propose mergers resulting in them controlling 40 per cent. of the market for any product, Government officials said, reports Reuters.

INTERNATIONAL HARVESTER A management awakes

INTERNATIONAL Harvester, the large and diversified Chicago based maker of agricultural machinery, lorries and construction equipment, has long had a deserved reputation as a sleepy giant. Business Week Magazine hit the nail on the head 23 months ago when it described the company as a "leader in sales, a laggard in profits."

Swissair sees favourable year

THE SWISS airline company expects a "parallel" development in its traffic volume and profits this year to that recorded for 1976, when traffic expanded by 13 per cent. and profits by 8 per cent.

Deutsche BP reduces loss

DEUTSCHE BP AG, the West German subsidiary of the British Petroleum, reduced its balance sheet loss in 1976 to DM170m. from DM276m. in the previous year, reports Nicholas Colches.

AMERICAN NEWS Chile officials move on defaulters

THE MANAGEMENT of yet another private investment company here has been taken over by the industry and Commerce Directorate because the company - El Sendero - has suspended payments to its investors.

DUTCH COMPANIES KNP expects profit

KON, NEDERLANDSE Papierfabriek (KNP), the paper manufacturer, has said that it expects to have broken even in 1976 and that there was a possibility of a profit in the current year, KNP, in which MacMillan Bloedel of Canada has a share of about 44 per cent., expects 1976 total sales to have reached about Fl.675m., which would be up some 27 per cent. on the previous year, in the previous 12 months, the company incurred a loss, before tax composition, of at least Fl.25m.

Club Mediterranee

Club Mediterranee, the vacation resort operators, said yesterday that its non-consolidated net profit for the financial year ended last October 31 amounted to about Frs.317m. or 29 per cent. above the Frs.40m. recorded for the previous 12 months. The company said turnover during the year increased by about 20 per cent.

Loss expected at Air Canada

A "SIGNIFICANT" net loss is expected by Air Canada for 1976, despite its operating profit, Claude Taylor, the airline's president, says in a year-end review.

AMFAS forecast

THE AMFAS insurance company has stated that it is maintaining its forecast made earlier in 1976 that the year's net profits would increase by "at least 10 per cent." The provisional results will be announced later this month.

EUROBONDS \$C30m. for BCN

BANQUE CANADIENNE Nationale is to raise \$C30m. with an issue of 5-year Bearer Deposit Notes on a coupon of 8 1/2 per cent. BCN has borrowed once previously in the Eurobond market, raising \$C15m. in March 1976 with 6-year 9 1/2 per cent. debentures. Lead manager is Wood Gundy and pricing will be on January 24.

Inter-American Development Bank Washington, D.C. AS 300,000,000 8% Austrian Schilling Bonds 1976/1986. Includes a table of bond numbers and interest rates, and a list of participating banks.

Vertical advertisements on the right edge of the page, including 'BANK' and 'World'.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

FRENCH INSURANCE

A public sector view

BY CHRISTOPHER HILL

ALTHOUGH nationalising insurance companies tends to produce violent reaction from normally prudent investors...

business with 250 other companies, including foreign companies. He added, however, that the attitude persists that the state gives preference to the companies it owns and the tariffs or buy bonds...



Mr. Michael Gandet

AUSTRIAN COMPANIES

State oil corporation plans record investment

BY PAUL LENDVAI

VIENNA, Jan. 13.

OEKV, THE Austrian state oil corporation will invest this year in the first 10 months was up by 12 per cent to 2.7bn cubic metres...

Investkredit bank floats Sch500m. bond. The company is estimated to have had a turnover of Sch225m last year, about 16 per cent up on the sales total in 1975...

SW Match worker directors reject bid

By William Dufforce

STOCKHOLM, Jan. 13.

EMPLOYEE representatives of the Swedish Match Board today came out against the takeover bid from the KemaNord chemicals company...

Mixed year for German investment trusts

BY GUY HAWTIN

FRANKFURT, Jan. 13.

EST GERMANY'S investment trusts found 1976 a year of mixed blessings. Sales of certificates during the 12 months ran at a cord level, but the weakness of the Federal Republic's stock market resulted in a decline in the value of funds based on domestic equities...

Exchanges, the results reported by the BV's 28 member-trusts dealt in international shares were considerably better. The Tokyo Stock Exchange Index, for instance, ended the year at 183 per cent, up while, at the other end of the spectrum, the Paris Bourse Index closed 16.8 per cent down...

Kirin Brewery raises dividend

TOKYO, Jan. 13.

KIRIN BREWERY has raised its dividend for the year ended January 31 to 19 per cent, or Y2.5 (15 per cent, or Y7.5).

Y31 79bn. from the present level, and those of fruit juice 37m cases, up 25 per cent. Kirin expects to record a 40 per cent gain in net profit for the current year ending January 31 at Y13 60bn from Y9 66bn...

Macmillan Berlitz Finance N.V. U.S. \$20,000,000 9% Guaranteed Notes Due 1981 issued in temporary form, irrevocably and unconditionally guaranteed by MACMILLAN, INC.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates for the U.S. dollar against various currencies as on Wednesday, January 12, 1977...

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries like Australia, Canada, France, etc.

SELECTED EURO-DOLLAR BOND PRICES - MID-DAY INDICATIONS

Table with columns: STRAIGHTS, Bid, Offer. Lists bond prices for various countries and maturities.

Advertisement for Macmillan Berlitz Finance N.V. U.S. \$20,000,000 9% Guaranteed Notes Due 1981. Includes details about the trust indenture and contact information.

Advertisement for Empire Iron Mining Partnership. Secured Guaranteed Notes due September 1, 1998. Project Financing. The Cleveland-Curfs Iron Company, Inland Steel Company, International Harvester Company, McLouth Steel Corporation.

Advertisement for Further scrip from Comeng. BY James Forth. SYDNEY, Jan. 13. COMENG Holdings, Australia's largest rolling stock manufacturer, plans to make a one-for-ten scrip issue...

WALL STREET OVERSOLD MARKETS FIRM ON EARLY SMALL BARGAIN HUNTING £ and \$ strong

BY OUR WALL STREET CORRESPONDENT SMALL BARGAIN hunting gave Wall Street a firmer lead...

The volume leaders, dipped \$1 to \$33 1/2, completed the acquisition of Anaconda...

The market was given a boost by the announcement that Peugeot-Citroen...

The recent sharp fluctuations in the value of sterling died out...

Gold Bullion: Close \$1274.125, Opening \$1270.125, High \$1275.125...

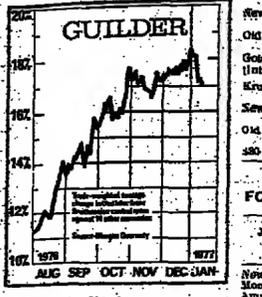
Closing prices and market reports were not available for this edition.

Other Markets: Canada rallies. With the exception of Banks, which eased slightly...

Germany: Mostly steady in very quiet trading. Leading Banks and Chemicals...

Japan: The dollar maintained its recent improvement mainly on the general feeling that dollar interest rates were likely to rise...

Foreign Exchanges: New York, London, Amsterdam, Frankfurt, Zurich, etc.



More than a two-to-one margin. Trading volume, however, decreased 300,000 shares to 12,977,000...

Brussels: Mixed, with gains outnumbering losses at the end of the trading session.

Switzerland: Mixed in orderly active trading. Swiss advanced 1/2 to 645...

Gold improved \$11 an ounce to \$123.125 with a fair amount of trading generated by renewed buying interest.

Other Markets: Australia, Hong Kong, etc.

Wednesday's Active Stocks: Middle S. Ut., Sausch and Lomb, Occidental Petroleum, etc.

Standard and Poors: Industrials, Chemicals, etc.

Indices: NEW YORK - DOW JONES. Jan 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

Exchange Cross-Rates: Frankfurt, London, Zurich, etc.

Forward Rates: New York, London, etc.

Overseas Share Information: NEW YORK. ABBOTT LABOR, ALCOHOL, etc.

Overseas Share Information: CANADA. ABBOTT LABOR, ALCOHOL, etc.

Overseas Share Information: PARIS. ALCOHOL, etc.

Overseas Share Information: AMSTERDAM. ALCOHOL, etc.

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Overseas Share Information: JOHANNESBURG. ALCOHOL, etc.

Overseas Share Information: MILAN. ALCOHOL, etc.

Overseas Share Information: AUSTRALIA. ALCOHOL, etc.

Overseas Share Information: BRAZIL. ALCOHOL, etc.

Overseas Share Information: EURO-CURRENCY INTEREST RATES. Sterling, U.S. Dollar, etc.

Overseas Share Information: BRUSSELS/LUXEMBOURG. ALCOHOL, etc.

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FARMING AND RAW MATERIALS

Brazil seeks Malagasy coffee

By Richard Mooney

INTERBRAS, the Brazilian State trading company, has confirmed that it has a coffee buying mission in the Malagasy Republic (formerly Madagascar). The company gave no indication of the amount involved but visitors on the London market on Wednesday put the figure at 200,000 bags (60 kilos each). A Sao Paulo newspaper has suggested a 30,000-bag deal is being negotiated.

In the aftermath of the July market disaster Brazil is short of coffee to keep its own soluble industry going. Repeated overtures have been made to other producers on such trade deals.

The only successful deal was with El Salvador, which agreed to supply 500,000 bags at prices linked to the world market. No El Salvador coffee is thought to have arrived in Brazil so far.

Approaches to African producers have included one to the Ivory Coast and several to Malagasy. London traders remain sceptical about the possibility of any African coffee being made available to Brazil. Several traders have noted that reports of Brazilian coffee buying missions often coincided with price setbacks on the world market. On the London terminal market coffee yesterday had one of its quietest days for weeks. The March position fell to £2,645 a cwt at one stage but ended the day at £3,185 a cwt. A cwt of coffee prices were pushed down during the morning by persistent trade selling and registered a 500 permissible limit fall to one stage. But the market allied and May closed at a cwt of £1,185 above Wednesday's closing level at £2,115.5 a cwt.

Australia still seeking deal with China

By Sydney Jan. 13

AUSTRALIA'S SUGAR selling agent, CSR, is still keen to enter into a long-term contract with China for the supply of Australian sugar according to government officials. It is three years since the Australian Government agreed to supply 100,000 tonnes a year over five years from 1975. But the agreement was never settled, although it has been continued since government officials told Reuters. The most significant Chinese objection is the Australian industry's policy of fixing firm prices for all long-term contracts, they said.

Tin Agreement buffer stock exhausted

By John Edwards, Commodities Editor

SUPPLIES OF tin held by the buffer stock of the International Tin Agreement are exhausted, the International Tin Council announced in London yesterday. This is only the third time in the history of the Tin Agreement, dating from 1958, that the buffer stock has run out of supplies. The previous occasions were in 1961 and 1967. Buffer stock operations were restricted in 1974, when holdings were virtually exhausted.

The immediate reaction on the London Metal Exchange was a sharp rise in prices. Despite profit-taking sales at the higher prices cash tin gained £135 to close at an all-time peak of £3,390 a tonne. The news came as little surprise to the market. At the last Tin Council meeting a week ago it was confirmed that the buffer stock holdings at the end of September had dwindled to 1,888 tonnes from the peak of more than 20,000 tonnes in December 1975.

Since then the buffer stock was forced to sell more tin in an attempt to halt, or at least slow down, the rise in prices—especially after the Tin Agreement ceiling, raised at the December meeting, was broken through earlier this month.

The crucial factor was that at the December council meeting the special authority previously granted to the buffer stock to operate at its discretion above the ceiling price was not renewed. Officially this was because the rise in the agreement price ranges, settled after a heated debate at the December Tin Council meeting, put the market price below the ceiling again. But it soon became evident that the ceiling would be breached again in view of the sustained strong demand which was a feature of the tin market throughout 1976, helping to raise the cash price in London from just over £2,000 a tonne at the beginning of the year.

The decline of the sterling has also played its part, however. The Malaysian Straits tin price at a year's high of S\$1,346 a cwt provided with urban life. The report sets out a policy of landscape conservation which includes planting trees and shrubs in greatly increased numbers.

Public authorities should be made to set a good example because many of them do not have good standards of landscape management and improvement, it says.

The commission has invited local authorities to draw up a code of practice covering all land owned by them in the countryside.

The commission will encourage better management of small plots with grant aid from the Forestry Commission and will assist local authorities to undertake more amenity planting. The report says the Countryside Commission has recommended management agreements with landowners to conserve important landscape features. Many landscape features have been lost because their owners were unaware of their historic interest. Although most people lived in towns and cities, they derived pleasure from the countryside, not least because of the contrast

between the built-up areas and the open countryside. The report sets out a policy of landscape conservation which includes planting trees and shrubs in greatly increased numbers. Public authorities should be made to set a good example because many of them do not have good standards of landscape management and improvement, it says.

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Countryside spoiled by modern farming

Financial Times Reporter

UP TO 80 per cent of trees in some counties of Eastern England have been destroyed by modern farming methods in the last 25 years, the Countryside Commission says in a report on changes in countryside landscapes in England and Wales.

More than half the hedgerows in these counties disappeared in the quarter century up to 1975. The report says action is needed to prevent the once-rich and varied lowland landscape of England and Wales becoming very dull to look at.

Otherwise the countryside would continue to be threatened by modern farming methods, urban and industrial development, inadequate landscape management and tree disease.

Lack of management had badly affected small woodlands almost everywhere. Many landscape features of archaeological importance had been lost because their owners were unaware of their historic interest. Although most people lived in towns and cities, they derived pleasure from the countryside, not least because of the contrast

Wheat crop forecast up again

Financial Times Reporter

THE INTERNATIONAL Wheat Council has again raised its estimate of 1976 world wheat production to 411.5m tonnes. This is 2m tonnes more than its last forecast a month ago, and is 59.4m tonnes (16.9 per cent) above the previous record of 352.1m tonnes in 1972.

The council issued its latest market report yesterday. World trade in wheat in 1976-77 is expected to fall to 58m tonnes, against 66.5m tonnes in 1975-76, making it the lowest level of trade since 1971-72.

As a result the estimate of closing stocks at the end of the 1976-77 season in the five main exporting areas—Argentina, Australia, Canada, EEC and the U.S.—has been raised to 61m tonnes. This is 2m tonnes more than at the end of 1975-76.

The council says no serious production setbacks have been reported for this year. But estimates of the winter wheat sown in the U.S. show the first reduction since 1970 with plantings put at 22.6m hectares against 22.4m hectares last year.

Output is expected to fall 3.5m tonnes (8.2 per cent) to 58.1m tonnes. In the Soviet Union it was reported some cover had been more widespread than usual in December.

'No shortage of potatoes' this spring

Financial Times Reporter

THERE WILL BE no potato famine this spring and prices will not go as high as they peaked last year, says Mr. Robert Jackson, of Sheffield, a member of the potatoes committee of the National Federation of Fruit and Potato Traders, said yesterday.

The British housewife has a lot more intelligence than she is sometimes credited with. She is not deaf and she is not going to pay astronomical prices for potatoes, he said.

Prices vary in different parts of the country. In some places you can get them at 11p or 12p a pound, but you could probably pay up to 15p a pound in London, Mr. Jackson said.

Mr. Jackson said that the price of potatoes will rise slightly in the next few weeks, but that the price will not rise as much as it did last year. He said that the price of potatoes will be about 15p a pound in London by the end of the year.

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Animal feed costs Livestock producers face difficult year

By John Cherrington, Agriculture Correspondent

LIVESTOCK FARMERS face another stiff rise in costs this year. Now crop feed barley and wheat from the 1977 harvest is already being traded at more than £80 a tonne, an increase of about £10 a tonne on the £70 a tonne price of last year. Britain becomes a full member of the EEC.

This is good for the grain growers, but will bring trouble to anyone whose living depends on feeding cereal products to livestock.

The basis for these high levels is twofold. By January next year grain imports will bear the full levy on imported grain. It therefore should be no devaluation of the pound which will mean the effective threshold price—the minimum at which third country (non-EEC) grain can be imported—will rise by about £10 a tonne from the present level of £70 for maize and £84 for wheat.

Any devaluation of the "green pound" will increase these levels proportionately by reducing the monetary compensatory amounts on imports from the Community which at present act as a subsidy to Britain.

It is important to remember that the cereal crops of the last two years have been badly affected by the weather. Until 1974 yields had been increasing and varieties and techniques pointed to much higher returns. Favourable weather could produce 3m tonnes more next year and a situation where farmers would be pressing sales. It is most probable that the reluctance to trade this year will make the most of the little they have got to sell.

It is not possible at this stage to forecast the intervention price accurately for the next cereal year. It is in any case dependent on any increase in grain prices agreed at this year's Community Price Review. But a fair guess would be in the mid-£70s for feed grain on an all farm basis.

Much will depend on how far demand will fall as a result of high prices. That it will do so is almost certain on two counts. A further rise in feed costs, without a compensatory increase in returns, is almost bound to reduce the pig herd to a marked degree and so cut livestock consumption. The same could happen to the demand for other animal feeds.

Farmers and compounders will intensify their search for cheaper alternatives to grain. This will mean a search for alternative sources of protein and energy.

There have been some remarkable developments. It is well known that at present prices the use of nitrogen to promote growth of grass and forage crops is probably more economic than buying concentrates at high prices. But this is only possible for the ruminants, cattle and sheep.

Compounders are also looking for ways in which to reduce the proportion of cereal feed in their rations. At present just less than 50 per cent. There are many plant products, euphemistically called fillers, on the market.

There is also a vast supply of straw in Britain. Straw by itself, particularly wheat straw, is not a complete feed. But treated with caustic soda or sodium hydroxide it will produce a material with digestibility levels that of barley at about half the cost.

Already a large feed firm has committed itself to a substantial investment in plant for this purpose. It is certain that as long as the high grain prices continue this development will accelerate. It is not a difficult operation. There is mature straw, several million tons are burnt every year.

Many of those who mix their own feeds will be tempted to invest in the equipment to do this and put their own barley at a higher price into intervention.

Treated

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Argentine maize area forecast at 18-year low

By Buenos Aires, Jan. 13

ARGENTINA'S 1976-77 maize sowing will total 2,025,000 hectares, the smallest area for 18 years, according to a report issued in its first estimate.

This compares with 2,600,000 hectares sown in 1975-76, the past five years' average of 4,078,240 hectares and the last 10 years' average of 4,029,310 hectares, the Department said.

It attributed the decline in the area sown to heavy rains hampering planting, and switching to soyabean and wheat by farmers because of the better price prospects, Reuters.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

Commodity	Unit	Price	Change
Aluminium	100 lbs	180.0	+0.5
Copper	100 lbs	240.0	+1.0
Gold	100 gms	1,200.0	+0.2
Iron	100 lbs	150.0	+0.5
Nickel	100 lbs	200.0	+0.5
Platinum	100 gms	1,500.0	+0.5
Silver	100 gms	100.0	+0.5
Steel	100 lbs	120.0	+0.5
Zinc	100 lbs	180.0	+0.5

GRAIN

Commodity	Unit	Price	Change
Wheat	100 lbs	180.0	+0.5
Barley	100 lbs	150.0	+0.5
Oats	100 lbs	120.0	+0.5
Rice	100 lbs	100.0	+0.5
Maize	100 lbs	140.0	+0.5
Soyabean	100 lbs	160.0	+0.5
Beans	100 lbs	170.0	+0.5
Lentils	100 lbs	180.0	+0.5
Peas	100 lbs	190.0	+0.5

SOYABEAN MEAL

Commodity	Unit	Price	Change
Soyabean Meal	100 lbs	160.0	+0.5
Soyabean Oil	100 lbs	180.0	+0.5
Soyabean Flour	100 lbs	170.0	+0.5
Soyabean Hulls	100 lbs	150.0	+0.5
Soyabean Bran	100 lbs	160.0	+0.5
Soyabean Middlings	100 lbs	170.0	+0.5
Soyabean Shorts	100 lbs	180.0	+0.5
Soyabean Meal	100 lbs	190.0	+0.5

PRICE CHANGES

Commodity	Unit	Price	Change
Aluminium	100 lbs	180.0	+0.5
Copper	100 lbs	240.0	+1.0
Gold	100 gms	1,200.0	+0.2
Iron	100 lbs	150.0	+0.5
Nickel	100 lbs	200.0	+0.5
Platinum	100 gms	1,500.0	+0.5
Silver	100 gms	100.0	+0.5
Steel	100 lbs	120.0	+0.5
Zinc	100 lbs	180.0	+0.5

U.S. Markets

Commodity	Unit	Price	Change
Aluminium	100 lbs	180.0	+0.5
Copper	100 lbs	240.0	+1.0
Gold	100 gms	1,200.0	+0.2
Iron	100 lbs	150.0	+0.5
Nickel	100 lbs	200.0	+0.5
Platinum	100 gms	1,500.0	+0.5
Silver	100 gms	100.0	+0.5
Steel	100 lbs	120.0	+0.5
Zinc	100 lbs	180.0	+0.5

The Royal Navy
The Merchant Navy
The Royal Marines
Our Fishermen

Their disabled
Their pensioners
Their widows
Their children

King George's Fund for Sailors looks after them all

In this country of ours, there is no-one who is not connected with the sea. Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity, charged with collecting and providing funds for all other seafarers' charities, and with making sure that the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:-

KGFS King George's Fund for Sailors
1 Chesham St., London SW1X 8NF
READ FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FAMILIES

COCAOA

Commodity	Unit	Price	Change
Cocoa Beans	100 lbs	180.0	+0.5
Cocoa Butter	100 lbs	200.0	+0.5
Cocoa Powder	100 lbs	160.0	+0.5
Cocoa Meal	100 lbs	170.0	+0.5
Cocoa Hulls	100 lbs	150.0	+0.5
Cocoa Bran	100 lbs	160.0	+0.5
Cocoa Middlings	100 lbs	170.0	+0.5
Cocoa Shorts	100 lbs	180.0	+0.5
Cocoa Meal	100 lbs	190.0	+0.5

SUGAR

Commodity	Unit	Price	Change
Sugar	100 lbs	160.0	+0.5
Sugar Cane	100 lbs	170.0	+0.5
Sugar Beet	100 lbs	180.0	+0.5
Sugar Molasses	100 lbs	190.0	+0.5
Sugar Syrup	100 lbs	200.0	+0.5
Sugar Powder	100 lbs	210.0	+0.5
Sugar Meal	100 lbs	220.0	+0.5
Sugar Hulls	100 lbs	230.0	+0.5
Sugar Bran	100 lbs	240.0	+0.5
Sugar Middlings	100 lbs	250.0	+0.5
Sugar Shorts	100 lbs	260.0	+0.5
Sugar Meal	100 lbs	270.0	+0.5

Wool Futures

Commodity	Unit	Price	Change
Wool	100 lbs	180.0	+0.5
Wool Cans	100 lbs	190.0	+0.5
Wool Bales	100 lbs	200.0	+0.5
Wool Hops	100 lbs	210.0	+0.5
Wool Stripes	100 lbs	220.0	+0.5
Wool Tops	100 lbs	230.0	+0.5
Wool Middlings	100 lbs	240.0	+0.5
Wool Shorts	100 lbs	250.0	+0.5
Wool Meal	100 lbs	260.0	+0.5
Wool Hulls	100 lbs	270.0	+0.5
Wool Bran	100 lbs	280.0	+0.5
Wool Middlings	100 lbs	290.0	+0.5
Wool Shorts	100 lbs	300.0	+0.5
Wool Meal	100 lbs	310.0	+0.5

COTTON

Commodity	Unit	Price	Change
Cotton	100 lbs	180.0	+0.5
Cotton Cans	100 lbs	190.0	+0.5
Cotton Bales	100 lbs	200.0	+0.5
Cotton Hops	100 lbs	210.0	+0.5
Cotton Stripes	100 lbs	220.0	+0.5
Cotton Tops	100 lbs	230.0	+0.5
Cotton Middlings	100 lbs	240.0	+0.5
Cotton Shorts	100 lbs	250.0	+0.5
Cotton Meal	100 lbs	260.0	+0.5
Cotton Hulls	100 lbs	270.0	+0.5
Cotton Bran	100 lbs	280.0	+0.5
Cotton Middlings	100 lbs	290.0	+0.5
Cotton Shorts	100 lbs	300.0	+0.5
Cotton Meal	100 lbs	310.0	+0.5

COFFEE

Commodity	Unit	Price	Change
Coffee	100 lbs	180.0	+0.5
Coffee Cans	100 lbs	190.0	+0.5
Coffee Bales	100 lbs	200.0	+0.5
Coffee Hops	100 lbs	210.0	+0.5
Coffee Stripes	100 lbs	220.0	+0.5
Coffee Tops	100 lbs	230.0	+0.5
Coffee Middlings	100 lbs	240.0	+0.5
Coffee Shorts	100 lbs	250.0	+0.5
Coffee Meal	100 lbs	260.0	+0.5
Coffee Hulls	100 lbs	270.0	+0.5
Coffee Bran	100 lbs	280.0	+0.5
Coffee Middlings	100 lbs	290.0	+0.5
Coffee Shorts	100 lbs	300.0	+0.5
Coffee Meal	100 lbs	310.0	+0.5

STOCK EXCHANGE REPORT

Strong revival in Gilts gives equity markets a boost Share index up 5.7 at 363.3—Many Oil features

Account Dealing Dates

*First Declara- Last Account Dealings Dates
 Jan. 13 Jan. 14 Jan. 25
 Jan. 17 Jan. 22 Feb. 8
 Jan. 31 Feb. 10 Feb. 22

"New line" dealings may take place from 9.30 a.m. two business days earlier.

News of the Bank of England's decision to reduce banks' special deposits in order to relieve pressure on money markets coupled with the announcement that the issue of £600m. 12 per cent. Exchequer, 1981, stock had been oversubscribed prompted a strong revival in Gilts-Edged yesterday. This, in turn, gave a boost to a flagging equity market. The strength of Gilts was reflected in widespread gains throughout the list, extending to 11. Despite a further official indication by the Bank of England that it does not wish to see a reduction in minimum lending rate today, closing quotations were at the day's best and the Government Securities index rose 5.7 to 62.10.

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FINANCIAL TIMES STOCK INDICES

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8
Government Secs	62.10	62.53	62.76	62.66	61.59	60.06
Asset Managers	64.22	65.56	63.70	63.20	61.83	61.14
In Industrial Ordinal	363.3	367.6	368.6	366.2	367.8	365.2
Ind Mines	115.5	113.1	108.4	114.2	117.4	116.0
Gold Mines	6.19	6.51	6.23	6.14	6.12	6.06
Ed. Ut. Yield	19.17	19.54	19.61	19.24	19.15	18.98
Govt. 12% Yield	7.64	7.49	7.51	7.51	7.65	7.72
Govt. 10% Yield	8.47	8.47	8.47	8.47	8.47	8.47
Govt. 8% Yield	5.87	5.87	5.87	5.87	5.87	5.87
Govt. 6% Yield	5.87	5.87	5.87	5.87	5.87	5.87
Govt. 4% Yield	5.87	5.87	5.87	5.87	5.87	5.87
Govt. 2% Yield	5.87	5.87	5.87	5.87	5.87	5.87
Govt. 1% Yield	5.87	5.87	5.87	5.87	5.87	5.87
Govt. 0% Yield	5.87	5.87	5.87	5.87	5.87	5.87

HIGHS AND LOWS

	High	Low	High	Low
Govt. Secs	62.10	62.53	62.76	62.66
Asset Managers	64.22	65.56	63.70	63.20
In Industrial Ordinal	363.3	367.6	368.6	366.2
Ind Mines	115.5	113.1	108.4	114.2
Gold Mines	6.19	6.51	6.23	6.14
Ed. Ut. Yield	19.17	19.54	19.61	19.24
Govt. 12% Yield	7.64	7.49	7.51	7.51
Govt. 10% Yield	8.47	8.47	8.47	8.47
Govt. 8% Yield	5.87	5.87	5.87	5.87
Govt. 6% Yield	5.87	5.87	5.87	5.87
Govt. 4% Yield	5.87	5.87	5.87	5.87
Govt. 2% Yield	5.87	5.87	5.87	5.87
Govt. 1% Yield	5.87	5.87	5.87	5.87
Govt. 0% Yield	5.87	5.87	5.87	5.87

S.E. ACTIVITY

Year. Stroud Rife Drummond and improved further in inter-office trading.

Southern Kinta were outstanding with a rise of 12 to 14 1/2 to 14 3/4. The latter was also registered in Malaya, which jumped 12 to 202. Among the Cornish tin miners, Gevor rose 13 to 197-77 high of 285p and Piran gained 2 to 78p, after a further rise of 12 to 14 1/2 to 14 3/4.

Shares, which were generally higher than the day following, were mostly steady, with a few modest gains. The Gold index responded with a 3 1/2 to 113 1/2. Outstanding among heavyweights were Ransome, which put on 2 1/2 to 222 and Driefontein which closed a point higher at 171, while the oil stocks, Kamin improved 15 to 230p.

Late strength in Tins

Tin shares were a feature in mining share markets, with prices advancing across a broad front following the announcement by the International Tin Council that the stocks of tin held by the buffer stock are now exhausted and the subsequent rise in the metal price to a record £530 per tonne.

After opening barely changed and then tending to drift on lack of interest in the morning, tin moved sharply higher shortly before the close of the "House"

Kitchen display

AN EXHIBITION of kitchen freezers and kitchen equipment is to be held in Leicester from April 20 to 27.

The International Food Freezer Fair will be aimed at the public and the organisers are expecting a large number of bookings from 45 concerned experts about 100 to take part.

Banks good

The Bank of England's decision to reduce its special deposits requirement gave the big four banks a shot in the arm and prices immediately gained ground on the lunchtime announcement. The volume of business however, was fairly disappointing but at the close Barclays displayed an improvement of 12 to 27p, Lloyds ended 10 higher at 223p and rises of 7 and 8 respectively were seen in Midland, 27p, and National Westminster, 25p. Discounts were broadly steady in sympathy with buoyant ill-edged securities.

Shell responsive

Shell replied to the beneficial supplementary arrangements regarding group dividends and tax treatment with Royal Dutch by rebounding 14 to 468p. Ultramar, a Bell, Aberdeen Construction, Plessey, Charterhall Finance, Burmah Oil and

Code Int. better

Up to 5 easier initially following adverse Press comment, the Miscellaneous Industrial majors rallied smartly on news of release of special deposits and finished with modest improvements. Buwater, after extremes of 186p and 176p, closed 4 to 186p, while Glasco edged a like amount better at 405p, after

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Gilt oversubscribed

Confirmation yesterday that the new short £600m. Gilt-edged issue had indeed been oversubscribed and subsequent news of the 3 per cent. cut from 8 per cent. in clearing bank special deposit requirements sent quotations of the Funds sharply higher. AP Cement, still reflecting two details of the new stock allotment provided additional stimulus after-hours and both the shorts

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

GROUPS & SUB-SECTIONS	Thursday, January 13, 1977					1976-77					High and Low Index		
	Index	Change	%	High	Low	1976-77	1976-77	1976-77	1976-77	1976-77	High	Low	
1. CAPITAL GOODS (178)	136.85	-1.2	-0.88	7.03	7.08	135.24	136.44	138.40	136.00	152.84	160.00	100.83	206.37
2. Building Materials (31)	113.32	-1.7	-1.51	7.77	8.32	6.92	113.41	114.77	115.69	113.37	150.18	150.18	85.53
3. Contracting, Constr. (22)	177.10	-0.9	-0.51	25.04	6.16	6.16	175.99	179.79	181.79	173.70	240.20	350.20	126.08
4. Electricals (16)	270.00	+1.5	+0.56	5.35	6.01	7.62	265.68	265.55	271.62	266.84	289.07	251.4	270.00
5. Engineering (Heavy) (12)	171.23	-1.0	-0.58	7.68	5.05	4.97	169.59	171.90	176.06	171.17	173.46	118.12	125.56
6. Engineering (General) (6)	126.41	-0.8	-0.64	7.09	7.09	7.09	126.42	126.88	128.68	127.54	132.35	149.29	120.18
7. Machine and Other Tools (10)	59.00	-2.4	-4.07	7.35	9.11	8.89	57.99	57.85	57.29	56.68	65.01	59.89	62.00
8. Miscellaneous (22)	117.22	-0.8	-0.68	7.91	6.96	6.89	116.47	117.22	117.44	116.49	129.95	141.94	90.23
11. CONSUMER GOODS (DURABLE) (53)	119.12	+1.6	+1.35	6.01	7.12	7.11	117.21	117.79	120.42	118.49	128.22	141.46	83.12
12. L. Electronics, Radio TV (13)	131.45	-1.4	-1.07	19.29	4.48	7.72	129.69	130.10	132.99	131.04	146.31	160.53	125.71
13. Household Goods (13)	127.18	-	-	24.03	6.33	6.31	127.14	128.66	128.78	127.41	181.35	174.74	120.18
14. Motors and Distributors (25)	79.16	-2.5	-3.15	7.20	6.64	6.64	77.27	77.69	79.91	78.36	73.25	85.16	56.10
21. CONSUMER GOODS (NON-DURABLE) (170)	137.88	-0.8	-0.58	16.90	7.14	8.94	136.79	138.15	140.39	138.40	159.69	162.24	104.41
22. Breweries (13)	150.63	-1.2	-0.79	9.05	9.05	9.05	148.89	151.40	153.43	151.54	174.81	179.43	111.17
23. Wines and Spirits (6)	157.33	-0.5	-0.32	16.04	7.20	9.57	156.34	158.82	161.79	159.98	182.65	192.67	104.33
24. Entertainment, Catering (15)	177.73	-1.8	-1.02	13.17	7.56	10.06	174.62	176.55	179.59	175.20	200.79	211.26	197.11
25. Food Manufacturing (21)	132.36	-0.7	-0.53	19.17	6.77	7.74	131.53	133.18	135.68	132.71	169.08	175.49	120.54
26. Food Retailing (17)	132.95	-1.4	-1.05	15.55	6.12	9.30	131.15	133.59	135.49	133.81	147.38	152.78	104.33
27. Newspapers, Publishing (16)	201.84	-0.4	-0.20	13.08	5.11	11.58	191.08	203.96	206.91	204.25	175.30	210.19	148.46
28. Packaging and Paper (12)	92.25	+0.1	+0.11	19.36	8.74	7.92	92.08	92.78	93.66	92.16	110.20	120.18	73.34
29. Stores (25)	108.79	+0.4	+0.37	10.81	10.79	10.79	105.93	109.80	112.16	111.48	135.21	136.24	79.47
30. Textiles (24)	127.34	+2.5	+1.96	9.32	9.77	8.88	124.51	124.92	128.13	125.40	179.35	182.2	104.33
31. Tobacco (13)	209.24	-0.3	-0.14	20.94	8.26	7.10	208.68	210.26	213.32	209.70	229.70	241.99	167.56
32. Toys and Games (6)	79.00	-0.5	-0.63	20.95	8.03	6.40	78.80	79.67	80.10	77.78	61.35	80.95	59.13
OTHER GROUPS (93)	206.29	+1.0	+0.49	5.60	9.34	8.54	204.26	204.65	210.34	207.04	212.06	251.98	155.10
42. Chemicals (25)	82.69	-1.9	-2.30	6.39	9.67	9.67	81.14	81.36	81.89	80.39	100.18	100.18	58.33
43. Shipping (11)	407.58	-0.4	-0.10	13.20	6.51	10.90	406.76	406.17	412.89	411.91	391.96	432.94	254.47
44. Equipment (6)	142.38	+1.3	+0.92	8.89	8.33	8.32	140.61	142.10	144.93	143.09	166.39	172.88	104.33
45. Miscellaneous (30)	143.63	-1.0	-0.70	6.86	8.25	8.18	142.08	143.19	145.81	143.61	160.66	168.38	107.32
49. INDUSTRIAL GROUP (496)	166.35	-1.3	-0.78	6.33	8.75	8.58	164.43	165.99	169.14	167.27	173.79	183.00	125.80
50. OILS (4)	432.05	-2.4	-0.56	4.06	11.75	10.81	428.03	428.81	438.14	440.81	341.02	440.81	151.67
51. 500 SHARE INDEX	363.3	+5.7	+1.57	6.33	8.75	8.58	357.00	363.3	368.6	367.6	368.6	366.2	365.2
61. FINANCIAL GROUP (109)	132.37	-1.8	-1.36	6.43	-	-	120.24	122.14	123.28	121.99	147.17	153.46	87.19
62. Banks (6)	156.64	-3.8	-2.4										

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including categories like Discretionary Unit Fund Managers, Hill Samuel Unit Tr. Mgrs, M & G Group, and various international and domestic funds.

REGIONAL MARKETS table showing share prices for various regional markets such as Australia, Canada, Hong Kong, India, Japan, and South Africa.

INSURANCE, PROPERTY, BONDS

Table listing insurance and financial services providers, including Abbey Life Assurance Co. Ltd., City of Westminster Assur. Soc., and various life and property insurance companies.

FOOD PRICE MOVEMENTS table showing price changes for various food items like Bacon, Butter, Eggs, and Meat, comparing current prices to weekly and monthly averages.

MILAN 30th MIPEL advertisement for the Italian Leathergoods Exhibition, featuring APOLLO magazine and details about the event on January 18, 1977.

OFFSHORE AND OVERSEAS FUNDS table listing various international investment funds and their details, including King & Shaxson Mgrs. (I.O.M.) Ltd. and other offshore fund managers.

FT SHARE INFORMATION SERVICE

DRIVERS JONAS Chartered Surveyors London Aberdeen Milan

Vertical text on the left margin, possibly a page number or reference code.

CANADIANS table with columns for Stock, Price, Div, and %Chg. Includes entries like Montreal, Toronto, and Vancouver.

BANKS AND HIRE PURCHASE table with columns for Stock, Price, Div, and %Chg. Includes entries like Bank of Montreal and Royal Bank.

BRITISH FUNDS table with columns for Stock, Price, Div, and %Chg. Includes entries like British American and British Petroleum.

INTERNATIONAL BANK table with columns for Stock, Price, Div, and %Chg. Includes entries like Citibank and HSBC.

CORPORATION LOANS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

COMMONWEALTH & AFRICAN LOANS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

BEERS, WINES AND SPIRITS table with columns for Stock, Price, Div, and %Chg. Includes entries like Carlsberg and Heineken.

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

BUILDING INDUSTRY—Continued table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

Text block between Building Industry tables.

DRAPERY AND STORES—Continued table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

ELECTRICAL AND RADIO table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

CHEMICALS, PLASTICS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

CINEMAS, THEATRES AND TV table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

DRAPERY AND STORES table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

HOTELS—Continued table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

Text block between Hotels and Industrials tables.

INDUSTRIALS (Miscel.) table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

ENGINEERING, MACHINE TOOLS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

FOOD, GROCERIES, ETC. table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

HOTELS AND CATERERS table with columns for Stock, Price, Div, and %Chg. Includes entries like Anglo-Siam and Anglo-Siam.

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JPX 10/1/77

INDUSTRIALS - Continued. Table listing various industrial companies with columns for Stock, Price, and other financial metrics.

INSURANCE. Table listing insurance companies with columns for Stock, Price, and other financial metrics.

PROPERTY - Continued. Table listing property-related companies with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust companies with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust companies with columns for Stock, Price, and other financial metrics.

NOMURA The Nomura Securities Co., Ltd. Advertisement with contact information for London and New York offices.

MOTORS, AIRCRAFT TRADES. Sub-section table listing motor and aircraft related companies.

Commercial Vehicles. Sub-section table listing commercial vehicle companies.

Components. Sub-section table listing component companies.

Caravans and Distributors. Sub-section table listing caravan and distributor companies.

NEWSPAPERS, PUBLISHERS. Sub-section table listing newspaper and publisher companies.

PAPER, PRINTING, ADVERTISING. Sub-section table listing paper, printing, and advertising companies.

PROPERTY. Sub-section table listing property companies.

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PROPERTY. Sub-section table listing property companies.

SHIPBUILDERS, REPAIRERS. Table listing shipbuilders and repairers.

SHIPPING. Table listing shipping companies.

SHOES AND LEATHER. Table listing shoes and leather companies.

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Finance, Land, etc. Table listing finance and land related companies.

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MINES - Continued. Table listing mining companies.

Notes and other financial information at the bottom right of the page.



Times clash sparks row in Commons

BY ALAN PIKE, LABOUR STAFF

THE FREEDOM of the Press has been the subject of sharp exchanges in the Commons yesterday after the Times failed to come out of the previous night...

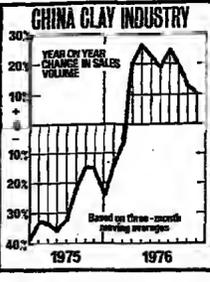
S. Africa belittles impact of communications ban

BY CHRISTIAN TYLER, LABOUR STAFF

INTERNATIONAL trade unions urged to "impede and harass" trade with South Africa. The ban on telecommunications is being belittled by South African officials...

THE LEX COLUMN First aid for the money market

Index rose 5.7 to 363.3



By all accounts, money has never been in such short supply as it was yesterday in the Discount Market. The Bank of England lent an "unprecedented" amount...

ground for prices has also been firmer. The group's very export sales are priced directly or indirectly on steel... This adds up to a fairly sharp rise in profits from at least in the first half of current year...

Appeal

BY OUR FOREIGN STAFF

Appealing to the House to wait for the facts to be established, he said: "As far as I am concerned there is not to be any censorship. Nobody would advocate censorship..."

U.S. delays choice between British and German guns

BY OUR FOREIGN STAFF

BRITAIN'S rifled barrel 120 mm gun, which the Government hopes will be mounted on America's next generation of tanks, won a reprieve against West German competition...

Shell's tax problem

BY OUR FOREIGN STAFF

Shell's explanation of the new arrangements to cope with the complications of advance corporation tax is almost as tricky to understand as the tax itself...

Colliery foremen decide to vote on early retirement

BY ERIC SHORT AND CHRISTIAN TYLER

COLLIERY FOREMEN yesterday swung behind the miners with a decision to hold an industrial action ballot on their own claim for early retirement...

Jack Jones criticised by TGWU candidate

BY DAVID CHURCHILL, LABOUR STAFF

THE BATTLE in succeeds Mr. Jack Jones as general secretary of the Transport and General Workers Union began in earnest last night when one of the 13 candidates for the post launched a blistering attack on Mr. Jones's record in office...

Transfer pricing talks net £20m.

BY MICHAEL LAFFERTY

FOLLOWING investigation into the transfer-pricing policies of foreign-owned multinational companies operating in Britain, the Inland Revenue has recovered about £20m. in tax...

Weather

U.K. TO-DAY

SHOWERS, snow. Some bright intervals in Scotland and N. Ireland. London, S.E., S.W., Cent. England, E. Anglia, Midlands, Channel I, S., Wales...

BUSINESS CENTRES

Table with columns for City, Mid-day, and Yr. change. Includes Amsterdam, Athens, Barcelona, Berlin, etc.

HOLIDAY RESORTS

Table with columns for City, Mid-day, and Yr. change. Includes Alicante, Almeria, Athens, Biarritz, etc.

Bass Charrington 'brewed' it with BISON advertisement featuring a logo and text about beer quality and awards.

After tax

BY ERIC SHORT AND CHRISTIAN TYLER

Although approval for the deal is expected, miners' voting could be influenced by the fact that the early retirement benefit could be much lower than generally realised...

Free vote for Tories

BY PHILIP RAWSTORNE

CONSERVATIVE MP's are to be allowed a free vote in the Commons on proposals for a system of proportional representation...

Free vote for Tories

BY PHILIP RAWSTORNE

is the thin end of the wedge when one of the two big parties starts to accept our point of view on even this point of the issue...